Investec Funds Series iii Annual Report and Accounts

For the year ended 28 February 2019

Investec
Asset Management

Investec Funds Series iii Report and Accounts

* The above information collectively forms the Authorised Corporate Director's Report

Emerging Markets Local Currency Debt Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide income and long-term capital growth.

The Fund invests primarily in bonds (contracts to repay borrowed money which typically pay interest at fixed times) and in related derivatives (financial contracts whose value is linked to the price of an underlying asset). These bonds are issued by governments, institutions or companies in emerging markets (countries that are in economic terms less developed than the major Western countries) predominantly in the currency of the issuing country.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives.

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested. However, the JPMorgan GBI-EM Global Diversified Index is currently taken into account when the Fund's investments are selected.

Performance record	**12 Months (%)**
Investec Emerging Markets Local Currency Debt Fund 'I' accumulation shares	-4.31*
Performance comparison index	-1.98**
Peer group sector average	-1.03**

Past performance is not a reliable indicator of future results, losses may be made.

Total deemed income distributions per 'I' accumulation share

12 months to 28 February 2019	5.52 pence
12 months to 28 February 2018	6.72 pence

The amount of income payable may rise or fall.

Performance review

The Fund produced a negative return over the period and underperformed its performance comparison index and peer group sector average.

Factors hindering performance

Our overweight position in Argentinian peso was a key driver of underperformance. During the second half of 2018, Argentina's resilience to rising US rates came under close inspection. The market panicked when Argentina asked the IMF to speed up its rescue package. Our research indicated that the existing IMF programme was sufficient, but the resultant volatility was a drag on performance. We held firm given our confidence in a second-term for the Macri administration, which is implementing important reforms that we believe are not yet reflected in the valuations. However, recent polls have increased the uncertainty ahead of the forthcoming election, prompting us to take a more cautious stance on Argentina.

We held an underweight position in Mexican local bonds and the peso which weighed on relative returns, first after investors' concerns over Nafta (North America Free Trade Area) negotiations eased, boosting asset prices, then at the end of the year when Mexican assets rose following the new government's relatively prudent budget announcement. We continue to view Mexican assets with caution; the central bank cut its growth estimate for this year and recent jobs, retail sales and trade balance data releases have all painted a relatively weak picture for the Mexican economy. The new administration faces significant challenges and we believe other market participants are underestimating the extent of these.

Elsewhere, the Fund held an overweight allocation to the Polish zloty which detracted from performance. The currency fell due to its sensitivity to the falling euro and slow euro-zone economic activity. We have since closed our overweight position in the Polish zloty, moving to a slight underweight. Our position in Ghanaian cedi also detracted from returns after the government was forced to abandon the issue of a new local currency bond in September, sparking fears that the country's budget deficit would rise. We continue to hold this position, and this has recently generated positive returns for the Fund after news in March of Ghana successfully completing its International Monetary Fund programme, with the IMF approving the disbursement of its final payment and praising the country for its economic progress, fiscal consolidation, and banking sector clean-up.

Factors helping performance

We held a conservative positioning in Turkish lira which helped protect the portfolio from the sharp decline in the currency last year. Turkish assets were among the weakest performers over the year, with Erdogan's new cabinet and central bank announcements disappointing market participants.

The portfolio's short exposure (position designed to benefit from a fall in price) to the Taiwan dollar also contributed positively to returns, with the currency's weakness partly attributable to the strength of the US dollar and concerns over demand for technology exports.

Egypt was, and continues to be, an important contributor to Fund performance. The Egyptian pound continues to represent an attractive opportunity, allowing us to take advantage of interest rate differentials to generate positive returns. The success of the country's IMF reform programme has boosted the country's assets. Egypt's economic momentum and outlook continues to appear positive, as the country's commitment to reform continues to bear fruit.

Portfolio activity

Significant purchases

Brazil Notas do Tesouro Nacional 10% 01/01/2025; Brazil Letras do Tesouro Nacional 01/10/2020; Mexican Bonos 10% 20/11/2036; Mexican Bonos 8% 07/12/2023; Mexican Bonos 6.5% 09/06/2022; Brazil Notas do Tesouro Nacional 10% 01/01/2023; Republic of Poland Government Bond 2.5% 25/01/2023; Russian Federal Bond 7.7% 23/03/2033; Hungary Government Bond 3% 27/10/2027; Mexican Bonos 8.5% 18/11/2038.

Significant sales

Mexican Bonos 6.5% 09/06/2022; Brazil Notas do Tesouro Nacional 10% 01/01/2025; Russian Federal Bond 7.7% 23/03/2033; Brazil Letras do Tesouro Nacional 01/10/2020; Brazil Letras do Tesouro Nacional 01/01/2020; Turkey Government Bond 10.7% 17/08/2022; Mexican Bonos 10% 20/11/2036; Republic of South Africa Government Bond 8.5% 31/01/2037; Malaysia Government Bond 3.58% 28/09/2018; Colombian TES 6% 28/04/2028.

Outlook

Our general outlook for emerging market fundamentals remains relatively positive, leading us to maintain a constructive longer-term outlook for the asset class.

In the short term it remains a relatively challenging environment for the global economy, with global and emerging market growth indicators generally pointing to a lacklustre pace of activity. However, there are some positive developments, including the more dovish stance of the US Federal Reserve, which should provide a constructive backdrop for risk appetite. And although risks remain, positive signs around a US-China trade deal provide reason for optimism.

In the medium-term we still expect emerging economies to pick up and outperform developed market economies. Emerging markets on aggregate are early in the cycle with plenty of slack in many economies. This provides room for growth to accelerate without stoking inflation or causing a deterioration in trade balances.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.
**Index (JPMorgan GBI-EM Global Diversified Index) and peer group sector average (Investment Association Global Emerging Markets Bond) shown for performance comparison purposes only.
The opinions expressed herein are as at end of February 2019.

Risk and Reward profile*

Lower risk Potentially lower rewards	Higher risk Potentially higher rewards

1 2 3 4 **5** 6 7

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in bonds whose returns tend to fluctuate more than those of cash funds but less than those of funds which invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Default: There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.

Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Emerging market: These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

Government securities exposure: The Fund may invest more than 35% of its assets in securities issued or guaranteed by a permitted sovereign entity, as defined in the definitions section of the Fund's prospectus.

Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise.

Liquidity: There may be insufficient buyers or sellers of particular investments giving rise to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than might be anticipated.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Global Dynamic Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

The Fund invests primarily in the shares of companies from around the world.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record	12 Months (%)
Investec Global Dynamic Equity 'I' accumulation shares	1.11*
Performance comparison index	2.72**
Peer group sector average	1.83**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a positive return during the period under review, but underperformed its performance comparison index and peer group sector average.

Factors hindering performance

The industrials sector detracted from performance overall after setbacks with stock picking. The most significant detractor was Japanese heavy equipment manufacturer Komatsu, after investors worried about a potential slowdown in orders from Chinese customers. US equipment rental firm United Rentals also detracted, weighed down by concerns about slowing US construction activity. We remain invested in Komatsu on valuation grounds in light of recent sell-off, but have exited out of Untied Rentals.

The consumer staples sector also detracted, due to unfavourable positioning and stock picking effects. The former was due to an underweight positioning as the sector outperformed amid the recent market volatility. The stock picking headwinds came from Chinese pork producer WH Group, which was caught up in the recent US/China trade tensions, as well as a recent outbreak of African swine flu in China. The portfolio no longer holds WH Group.

Factors helping performance

The portfolio benefited from strong stock picking in the information technology sector, where cloud computing company VMware rallied after delivering several positive earnings updates. VMware's shares also benefited from Dell's recent IPO (initial public offering), which simplified the company's holding structure. Strong earnings momentum also lifted holdings elsewhere in the sector, especially VMware peer NetApp.

The financials sector also added to performance as Puerto Rican bank Popular continued to rebound from the disruption caused by hurricanes Irma and Maria in 2017. Asian insurance group AIA rallied after receiving the green light from Chinese regulators to continue to expand in the country.

Outside of these sectors, US jeweller Tiffany gained after demonstrating its new product line-up accelerated sales momentum in its June 2018 earnings update. Tiffany's returns relative to the index were given an additional boost by our decision to sell in June, after which Tiffany shares gave back most of their prior gains. Footwear retailer Foot Locker also added after reporting improvements in same store sales.

Portfolio activity

Significant purchases

Unicredit; Wuliangye Yibin; United Rentals; HP; Shire; Comcast; Range Resources; Discover Financial Services; DaVita; Dun & Bradstreet; TopBuild.

Significant sales

Tiffany; NetApp, Lukoil ADR; Dun & Bradstreet; VF; Bank of America; Valero Energy; Cigna; BOC Hong Kong; DXC Technology.

Outlook

With the much-discussed trade deal between the US and China looking likely to materialise the market rally seems to be on a more solid footing.

Having said that, however, there is a definite feeling that the journey to the trade deal may be more rewarding than the destination. Though policymakers have been more supportive of late, and the fears of an imminent recession have diminished, companies have nonetheless tempered their fourth quarter earnings reports with conservative guidance for the year ahead. As a result of this, earnings growth expectations for the US have now reset to low single digits – which should be very attainable if no significant slowdown materialises. Earnings forecasts outside the US are still trending negatively, but again here we see a greater realism developing.

In light of this, it would certainly seem possible for companies to meet these lowered expectations, which could provide some additional market support. There remains a large spread of valuation across the market with value stocks still appearing very cheap relative to their history and quality very expensive. The market seems reluctant to close this gap but will likely do so if confidence returns.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.
Index (MSCI* All Countries World NDR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.
***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Investec Asset Management Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties') makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.
The opinions expressed herein are as at end of February 2019.

Risk and Reward profile*

Lower risk Potentially lower rewards	Higher risk Potentially higher rewards

1 2 3 **5** 6 7

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Emerging market: These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Global Equity Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long term capital growth.

The Fund invests around the world primarily in the shares of companies.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested. However, the MSCI All Countries World Net Return Index is currently taken into account when the Fund's investments are selected.

Performance record	12 Months (%)
Investec Global Equity Fund 'I' accumulation shares	0.69*
Performance comparison index	2.72**
Peer group sector average	1.83**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a positive total return during the period but underperformed its performance comparison index and peer group average.

Factors hindering performance

The consumer discretionary sector detracted from performance overall after setbacks with stock picking. Chief among the detractors was US car parts supplier Delphi Technologies, which faced significant headwinds due to a slowdown in orders from Chinese customers. Slowing Chinese demand was also behind a recent sell-off in watch conglomerate Swatch. We remain invested in both firms on valuation grounds in light of recent sell-offs.

The most significant stock-level performance detractor was Danish bank Danske, which became entangled in a money laundering scandal at its Estonian subsidiary, threatening legal consequences both in Europe and the US. We sold our Danske holdings in October.

The materials sector also detracted after US packaging company WestRock faced increasing pressure on profit margins from rising raw material and labour costs, as well as wider investor concerns relating a potential oversupply in the wake of the industry's recent growth in production capacity. We have trimmed our exposure to WestRock after the latest sell-off.

Factors helping performance

The portfolio benefited from strong stock picking in the information technology sector, where cloud computing company VMware rallied after delivering several positive earnings updates. VMware's shares also benefited from Dell's recent IPO (initial public offering), which simplified the company's holding structure. Strong earnings momentum also lifted holdings elsewhere in the sector, especially computing giant Microsoft and VMware peer NetApp.

Healthcare also added to performance as US pharmaceutical firm Eli Lilly reported very positive revenue growth figures and announced plans to divest its lower-growth/lower-margin animal health division. Life science firm Thermo Fisher Scientific also rallied in the sector, buoyed by strong revenue growth across each of its key divisions.

Outside of these sectors, Chinese offshore oil company CNOOC benefited from on-going strength in oil prices and Asian insurance group AIA rallied after receiving the green light from Chinese regulators to continue to expand in the country.

Portfolio activity

Significant purchases

Medtronic; Goldman Sachs; Merck; Unilever; Tencent; Chevron; Comcast; Discover Financial Services; Swatch; Glencore.

Significant sales

Facebook; Rio Tinto; Planet Fitness; PepsiCo; Broadcom; Cigna; Dowdupont; Alibaba ADR; Tencent; Cummins.

Outlook

With the much-discussed trade deal between the US and China looking likely to materialise the market rally seems to be on a more solid footing.

Having said that, however, there is a definite feeling that the journey to the trade deal may be more rewarding than the destination. Though policymakers have been more supportive of late, and the fears of an imminent recession have diminished, companies have nonetheless tempered their fourth quarter earnings reports with conservative guidance for the year ahead. As a result of this, earnings growth expectations for the US have now reset to low single digits – which should be very attainable if no significant slowdown materialises. Earnings forecasts outside the US are still trending negatively, but again here we see a greater realism developing.

In light of this, it would certainly seem possible for companies to meet these lowered expectations, which could provide some additional market support. There remains a large spread of valuation across the market with value stocks still appearing very cheap relative to their history and quality very expensive. The market seems reluctant to close this spread but will likely do so if confidence returns.

* Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.
Index (MSCI* All Countries World NDR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.
***Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Investec Asset Management Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties') makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.
The opinions expressed herein are as at end of February 2019.

Risk and Reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards

1 2 3 4 5 6 7

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Global Gold Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

The Fund invests around the world primarily in the shares of companies involved in gold mining.

The Fund may also invest up to one-third of its value in the shares of companies involved in the mining of other precious metals, minerals and non-precious metals.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods), other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset).

Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record	**12 Months (%)**
Investec Global Equity Fund 'I' accumulation shares	11.73*
Performance comparison index	9.2**
Peer group sector average	N/A**

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a positive absolute return over the 12 months to 28 February 2019 and outperformed its performance comparison index.

Factors hindering performance

There were stocks we held overweight positions in that didn't participate in the fourth-quarter gold equity rally for various company-specific reasons, leading them to detract from performance on a relative basis. Yamana Gold enjoyed some uplift in December as gold prices rallied, but the shares came under pressure at the start of the quarter as Argentina's proposal to impose a new tax on exports, which would impact cash flows, dampened investor sentiment towards the company. Similarly, West African miner Semafo had a decent December, but sold off prior to this as political risk in Burkina Faso came to the fore. We maintain our position in Yamana given we believe the company has a strong set of assets, boosted by additional production from its new Cerro Moro mine in Argentina, and a falling cost base. We closed our position in Semafo as the company's entire production base is in Burkina Faso, so has a high risk of being negatively impacted if political risk continues to rise. We also believe the company has limited growth options over the longer term. Our overweight position in Australian producer Endeavour Mining also detracted on a relative basis over the period.

Performance of our Fund was also negatively impacted by the closure of the Vanguard Precious Metals fund and First State's resource funds. These isolated events led to undue selling pressure on a number of smaller, more illiquid names in the second half of 2018.

Factors helping performance

Gold traded within a c. US$150 per ounce range over the past 12 months. The gold price fell over the first five months as the US Federal Reserve strengthened its case for additional interest rate increases, which benefited the US dollar. There was an inflection point however in August 2018, as a possible trade war and global growth concerns saw the Fed take a step back, leading the US dollar to weaken somewhat. In addition, the heightened volatility we witnessed over the fourth-quarter saw investors seek out safe haven assets, such as gold, in order to de-risk their investment portfolios.

Medium sized miners provided the majority of the relative gains over the period. Among the top six contributors, four were Australian listed. The outperformance of Australian mid-caps has been due to strong management teams; a commitment to exploration two years ago, which is now paying off; and the weaker Australian dollar, which has helped contain costs. Furthermore, Canadian-listed Kirkland Lake benefited from production and exploration success at its Fosterville mine in Australia.

Our underweight positions in larger miners like Barrick Gold, Franco-Nevada and Newcrest also contributed well in the early part of 2018. In fact, holding physical gold rather than shares in Barrick Gold proved particularly profitable at the beginning of last year. Our subsequent decision to take a position in Barrick during the second quarter also proved profitable as the shares rallied strongly after it announced the merger deal with Randgold Resources.

Portfolio activity

Significant purchases

Barrick Gold; Newmont Mining; Agnico Eagles Mines; Newcrest Mining; Franco Nevada; Wheaton Precious Metals; Rangold Resources; Kirkland Lake Gold; Yamana Gold; Goldcorp.

Significant sales

Franco Nevada; Goldcorp; Barrick Gold; Rangold Resources; Kirkland Lake Gold; SEMAFO; Invesco Physical Gold; Endeavour Mining; Evolution Mining, Newmont Mining.

Outlook

We believe there is still a compelling case to hold gold equities and it is one that is not just based on the expectation of rising gold prices. Nevertheless, we also believe there is a strong case for higher prices over the coming year. The rapid change in consensus forecasts on US Federal Reserve interest rates – the probability of a rate cut in 2020 is now over 70% – is a major support for gold prices, not least because it will put pressure on the US dollar. Even if the US dollar does not weaken dramatically, if it stops strengthening, then the markets are likely to focus on other factors such as possible rate cuts or even inflation.

Within gold equities, companies are arguably in their best condition to benefit. After years of restructuring and balance sheet improvement, there are now a number of companies globally who are well-placed to generate good returns even if gold prices remain at current levels. Management teams are much more focused on capital allocation and cost control, which in turn drive up returns on capital employed. As returns have improved, and debt has been reduced, companies are just starting to increase cash returns to shareholders via dividends and/or buybacks. Furthermore, with the merger of Barrick and Randgold, completed on 1 Jan 2019, and Newmont's proposed acquisition of Goldcorp, we believe further consolidation offers additional upside in the sector. Within the strategy, we continue to focus on active management, choosing a concentrated portfolio, currently around 30 companies, whom we believe are ahead of their peers and can offer reasonable liquidity and improving returns, even at current gold prices.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.
**Index (Euromoney Global Gold TR) shown for performance comparison purposes only. For this Fund, there is no relevant Investment Association sector against which to measure Fund performance.
The opinions expressed herein are as at end of February 2019.

Risk and Reward profile*

Lower risk Potentially lower rewards	Higher risk Potentially higher rewards

1	2	3	4	5	6	**7**

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the higher end of the Risk and Reward Indicator scale. This is because it invests in the shares of companies whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Commodity-related investment: Commodity prices can be extremely volatile and significant losses may be made.

Currency exchange: Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

Geographic/Sector: Investments may be primarily concentrated in specific countries, geographical regions and/or industry sectors. This may mean that the resulting value may decrease whilst portfolios more broadly invested might grow.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VI of the Investec Funds Series Omnibus prospectus.

Investec UK Sustainable Equity Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth and income.

The Fund invests primarily in the shares issued by UK companies (i.e. companies which are domiciled in the UK, incorporated in the UK, or carry out a significant portion of their business in the UK).

The Fund focusses investment on companies deemed by the Investment Manager to be making a positive contribution to society and/or the environment through sustainable and socially responsible practices, products and/or services. Examples may include companies which provide products or services in environmental markets such as alternative energy, energy efficiency and water treatment as well as companies that contribute to improving the basic needs and quality of life of society, such as those providing or improving access to finance, health care and education.

The Fund may invest in other assets such as cash, money market instruments (tradable securities where money can be invested for short periods) and other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party).

Derivatives (financial contracts whose value is linked to the price of an underlying asset) may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Performance record	Since launch (%)
Investec UK Sustainable Equity Fund 'I' accumulation shares	5.44
Performance comparison index	5.01
Peer group sector average	5.84

Past performance is not a reliable indicator of future results, losses may be made.

Performance review

The Fund delivered a positive absolute return over the period to 28 February 2019, outperforming its performance comparison index and in line with the peer group sector average.

Factors hindering performance

In terms of detractors, the main culprits were consumer goods companies Unilever and Reckitt Benckiser. Both companies are classified as being 'accessible healthcare' through the range of personal hygiene and care products they offer. Both companies didn't participate as meaningfully in the year-to-date recovery due to their perceived defensive qualities. Companies positioned more in line with growth tend to outperform in strong market conditions. However, it was these defensive qualities that led these companies to outperform amid the market volatility in the final quarter of 2018.

Our position in national carrier BT Group also detracted from relative returns. BT falls in the 'sustainable infrastructure' bucket due to its significant investment in digital infrastructure (i.e. broadband) in the UK. However, the shares sold off over in February as some investors grew concerned that it may be required to investment further in its infrastructure, potentially putting its dividend at risk.

Factors helping performance

The Fund's overweight exposure to technology holdings was the leading contributor to relative returns. In sustainability terms, of those key contributors, several were what we categorise as 'beneficial to society or the workplace'. Three examples include Kainos, GB Group and Blue Prism, all of which enjoyed strong performance over the review period. Kainos, for example, develops software to help other businesses improve manual processes, thereby making them more efficient. Similarly, GB Group creates software which assists businesses and governments in detecting fraud. Blue Prism, which was the stand out performer over the period, engages in robotic process automation, which enables big global companies to digitalise its workforce, making them more operationally efficient. The above companies benefited from the strong market recovery over the year to date, following the fourth-quarter sell-off.

Within financials, our positions in trading platforms Integrafin and AJ Bell both added to returns. Both firms offer what we consider to be 'accessible finance' to customers. Their platforms provide support to early-stage investors and offer a broad range of investment wrappers in a safe and secure way. The shares of both performed well, benefiting from the strong recovery in capital markets, following the sell-off in the fourth quarter.

Not holding HSBC bank and telecoms giant Vodafone also added to relative returns over the period. HSBC sold-off after the US Federal Reserve scaled back its plans for additional interest rate increases for 2019, which will more than likely reduce future profitability.

Portfolio activity

Significant purchases

Unilever; RELX; Experian; Reckitt Benckiser; Smith & Nephew; London Stock Exchange; BT; Clinigen Healthcare; AstraZeneca; Compass.

Significant sales

The Gym; Rentokil Initial; Learning Technologies.

Outlook

As we enter the second quarter of 2019, the list of challenges facing investors doesn't look to be getting any shorter. Global growth metrics are weakening, trade tensions remain ongoing, the key global central banks are reversing monetary policy and, in the UK, the shape and timing of Brexit has never been more unclear than it is now. The extent of the political dysfunction evident last year across Europe, North and South America and indeed more globally, has harnessed a will for change. Not just change within the political status quo, but change in the way we approach every-day life. 2018 will be remembered as the year that the world stood up and took notice of the devastating effects of single use plastic on the global environment. This shined a harsh light on the current unsustainable production and consumption trajectory that we, as a global society, are on. When we also consider the threats from climate change, rising inequality and poverty, there is much to be concerned about geopolitically, socio-economically and morally.

However, change is most definitely afoot. There is evidence that consumers are willing to change their spending habits, so as to reduce their impact on the environment. From an investment point of view, there is an increasing willingness to support companies that contribute to making a more positive society and sustainable environment. While socially responsible investing as an investment theme is nothing new, it is becoming more centre stage to investment strategy and asset allocation decisions.

The UK Sustainable Equity strategy aims to incorporate a sustainable approach to achieve long-term growth. We believe that, by understanding the three pillars of sustainability – internal, financial and external – we can create a portfolio that could deliver sustainable investment returns and positively contribute to a better future. Through our assessment of internal sustainability, we look to ensure businesses are run in a sustainable way by assessing both ESG risks and operational sustainability. Financial sustainability centres on ensuring sustainable investment returns can be delivered in line with client expectations, using Investec's tried and tested Quality investment approach. Finally, we look at a company's external sustainability. We conduct an analysis of a company's products and services to understand how they directly address a more positive future for society and the environment.

We have further broken this down by developing a proprietary framework of 'sustainable themes' focused on transformation towards a sustainable future, where the environment, society and business are considered to be interconnected and interdependent. These themes have been mapped against the UN Sustainable Development Goals (SDGs) that cover social and economic development issues, including poverty, hunger, health, education, global warming and social justice. The resulting framework provides a consistent approach to identification, assessment, monitoring and reporting of our companies' and the portfolio's impact on society and/or the environment.

In conclusion, we believe the consumer shift towards more responsible consumption creates huge potential for companies that are willing to align themselves accordingly and actively pursue a strategy that can capture this transition towards a more sustainable future.

*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP.
**Index (FTSE All-Share TR Index) and peer group sector average (Investment Association UK All Companies sector) shown for performance comparison purposes only.
The opinions expressed herein are as at end of February 2019.

Risk and Reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards

1 2 3 4 **5** 6 7

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment and any income from it can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

Derivatives: The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

Equity investment: The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company.

Geographic/Sector: Investments may be primarily concentrated in specific countries, geographical regions and/or industry sectors. This may mean that the resulting value may decrease whilst portfolios more broadly invested might grow.

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series Omnibus prospectus.

Emerging Markets Local Currency Debt Fund

Portfolio Statement

As at 28 February 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 2.45% (28.02.18: 2.36%)			
Investec GSF All China Bond Fund †	124,055	2,742	1.43
Investec GSF Emerging Markets Investment Grade Corporate Debt Fund †	126,837	1,943	1.02
		4,685	**2.45**
CORPORATE BONDS 6.23% (28.02.18: 4.72%)			
Petroleos Mexicanos 7.19% 12/09/2024	MXN 80,108,200	2,549	1.33
European Investment Bank 6.95% 06/02/2020	IDR 42,380,000,000	2,246	1.17
Standard Chartered Bank 7.5% 19/05/2038	IDR 40,771,000,000	2,023	1.06
International Bank for Reconstruction & Development 7.45% 20/08/2021	IDR 34,400,000,000	1,826	0.96
Development Bank of Kazakhstan 9.5% 14/12/2020	KZT 509,750,000	1,025	0.54
Eskom 7.5% 15/09/2033	ZAR 24,400,000	998	0.52
America Movil 7.125% 09/12/2024	MXN 22,140,000	777	0.41
Standard Chartered Bank 8.25% 17/05/2029	IDR 5,408,000,000	298	0.16
Standard Chartered Bank 6.125% 17/05/2028	IDR 3,242,000,000	154	0.08
		11,896	**6.23**
GOVERNMENT BONDS 72.90% (28.02.18: 74.57%)			
Republic of Poland Government Bond 2.5% 25/01/2023	PLN 24,132,000	4,884	2.55
Hungary Government Bond 3% 27/10/2027	HUF 1,724,190,000	4,773	2.49
Malaysia Government Bond 3.8% 17/08/2023	MYR 24,461,000	4,525	2.36
Republic of Poland Government Bond 2.5% 25/07/2027	PLN 21,371,000	4,169	2.18
Brazil Letras do Tesouro Nacional 01/07/2020	BRL 22,066,000	4,076	2.13
Turkey Government Bond 10.7% 17/08/2022	TRY 32,337,168	3,924	2.05
Brazil Notas do Tesouro Nacional 10% 01/01/2023	BRL 18,038,000	3,843	2.01
Russian Federal Bond 7.75% 16/09/2026	RUB 318,435,000	3,575	1.87
Mexican Bonos 8% 07/12/2023	MXN 86,537,800	3,389	1.77
Thailand Government Bond Index-Linked 1.25% 12/03/2028	THB 128,700,000	2,964	1.55
Republic of Poland Government Bond 2.5% 25/04/2024	PLN 13,945,000	2,804	1.47
Russian Federal Bond 8.15% 03/02/2027	RUB 240,300,000	2,758	1.44
Russian Federal Bond 6.4% 27/05/2020	RUB 243,956,000	2,754	1.44
Republic of Poland Government Bond 2.75% 25/04/2028	PLN 13,857,000	2,736	1.43
Russian Federal Bond 7.1% 16/10/2024	RUB 249,067,000	2,729	1.43
Bonos Tesoreria Pesos 5% 01/03/2035	CLP 2,135,000,000	2,630	1.37
Brazil Letras do Tesouro Nacional 01/01/2022	BRL 16,000,000	2,606	1.36
Brazil Notas do Tesouro Nacional 10% 01/01/2021	BRL 1,208,200	2,548	1.33
Mexican Bonos 7.5% 03/06/2027	MXN 64,578,200	2,438	1.27
Peruvian Government Bond 6.9% 12/08/2037	PEN 9,804,000	2,437	1.27
Russian Federal Bond 7.7% 23/03/2033	RUB 200,130,000	2,178	1.14
Malaysia Government Bond 3.892% 15/03/2027	MYR 11,685,000	2,139	1.12
Colombian TES 4.75% 04/04/2035	COP 28,013,000	2,032	1.06
Peruvian Government Bond 6.15% 12/08/2032	PEN 8,447,000	1,978	1.03
Malaysia Government Bond 3.62% 30/11/2021	MYR 10,581,000	1,958	1.02
Brazil Notas do Tesouro Nacional 10% 01/01/2027	BRL 9,000,000	1,916	1.00
Argentine Republic Government International Bond 5.875% 11/01/2028	USD 3,150,000	1,857	0.97
Colombian TES 10% 24/07/2024	COP 6,352,400,000	1,837	0.96
Indonesia Treasury Bond 8.375% 15/03/2034	IDR 33,608,000,000	1,835	0.96
Thailand Government Bond 4.875% 22/06/2029	THB 63,675,000	1,828	0.96
Mexican Bonos 5.75% 05/03/2026	MXN 52,182,800	1,793	0.94
Hungary Government Bond 2.75% 22/12/2026	HUF 656,460,000	1,788	0.93
Peruvian Government International Bond 6.95% 12/08/2031	PEN 7,037,000	1,767	0.92
Czech Republic Government Bond 2.75% 23/07/2029	CZK 48,610,000	1,746	0.91
Colombian TES 6% 28/04/2028	COP 7,185,600,000	1,683	0.88
Brazil Notas do Tesouro Nacional 10% 01/01/2025	BRL 7,554,000	1,608	0.84
Thailand Government Bond 2.875% 17/06/2046	THB 71,154,000	1,592	0.83
Peruvian Government International Bond 6.9% 12/08/2037	TRY 6,274,000	1,558	0.81
Turkey Government Bond 9.5% 12/01/2022	COP 12,957,446	1,543	0.81
Colombian TES 7.75% 18/09/2030	COP 5,759,600,000	1,508	0.79

Portfolio Statement continued

As at 28 February 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GOVERNMENT BONDS 72.90% (28.02.18: 74.57%) (continued)			
Colombian TES 7% 04/05/2022	COP 5,478,100,000	1,400	0.73
Colombian TES 7.5% 26/08/2026	CLP 5,240,800,000	1,364	0.71
Bonos Tesoreria Pesos 6% 01/01/2043	COP 950,000,000	1,330	0.70
Colombian TES 7.25% 18/10/2034	RSD 5,423,900,000	1,326	0.69
Serbia Treasury Bonds 5.875% 08/02/2028	THB 167,390,000	1,296	0.68
Thailand Government Bond 3.775% 25/06/2032	ROB 48,485,000	1,272	0.66
Romania Government Bond 4% 27/10/2021	MXN 6,490,000	1,180	0.62
Mexican Bonos 6.5% 09/06/2022	HUF 31,317,600	1,175	0.61
Hungary Government Bond 5.5% 24/06/2025	HUF 340,230,000	1,091	0.57
Hungary Government Bond 2.5% 24/10/2024	THB 375,220,000	1,031	0.54
Thailand Government Bond 3.65% 20/06/2031	WGP 38,172,000	993	0.52
Egypt Government Bond 18% 06/11/2028	GHS 21,914,000	977	0.51
Ghana Government Bond 19% 02/11/2026	EGP 7,733,000	973	0.51
Egypt Government Bond 17.7% 07/08/2025	GHS 21,300,000	936	0.49
Ghana Government Bond 19.75% 25/03/2024	CZK 7,067,000	935	0.49
Czech Republic Government Bond 4.2% 04/12/2036	RUB 22,630,000	925	0.48
Russian Federal Bond 7.05% 19/01/2028	WYR 83,517,000	892	0.47
Malaysia Government Bond 4.254% 31/05/2035	TRY 4,809,000	868	0.45
Turkey Government Bond 9.2% 22/09/2021	COP 6,973,258	834	0.44
Colombian TES 6.25% 26/11/2025	CZK 3,366,800,000	821	0.43
Czech Republic Government Bond 0.25% 10/02/2027	CZK 27,150,000	798	0.42
Czech Republic Government Bond 2% 13/10/2033	CZK 24,900,000	786	0.41
Thailand Government Bond 3.4% 17/06/2036	THB 30,788,000	778	0.41
Indonesia Treasury Bond 8.125% 15/05/2024	IDR 14,113,000,000	774	0.40
Russian Federal Bond 7.25% 10/05/2034	RUB 71,036,000	737	0.39
Thailand Government Bond 2.4% 17/12/2023	THB 28,961,000	697	0.36
Malaysia Government Bond 3.899% 16/11/2027	MYR 3,797,000	696	0.36
Mexican Bonos 10% 05/12/2024	MXN 15,391,500	658	0.34
Romania Government Bond 4.85% 22/04/2026	RON 3,390,000	622	0.33
Serbia Treasury Bonds 4.5% 11/01/2026	RSD 80,890,000	583	0.31
Republic of South Africa Government Bond 8.25% 31/03/2032	ZAR 11,560,000	569	0.30
Peruvian Government Bond 8.2% 12/08/2026	REN 2,064,000	558	0.29
Russian Federal Bond 8.5% 17/09/2031	RUB 47,001,000	546	0.29
Financiera de Desarrollo Territorial Findeter 7.875% 12/08/2024	COP 2,151,000,000	542	0.28
Brazilian Government International Bond 12.5% 05/01/2022	BRL 2,384,000	541	0.28
Colombian TES 7% 30/06/2032	COP 2,122,000,000	518	0.27
Republic of Poland Government Bond 2.5% 25/07/2026	PLN 2,298,000	452	0.24
Mexican Bonos 7.75% 29/05/2031	MXN 10,689,900	399	0.21
Malaysia Government Bond 3.9% 30/11/2026	MYR 2,157,000	396	0.21
Russian Federal Bond 7.5% 18/08/2021	RUB 32,459,000	370	0.19
Colombia Government International Bond 9.85% 28/06/2027	COP 1,110,000,000	335	0.18
Malaysia Government Bond 4.181% 15/07/2024	MYR 1,772,000	333	0.17
Brazil Notas do Tesouro Nacional 10% 01/01/2029	BRL 1,514,000	325	0.17
Hungary Government Bond 3% 26/06/2024	HUF 109,140,000	310	0.16
Mexican Bonos 10% 20/11/2036	MXN 6,846,300	303	0.16
Thailand Government Bond 5.5% 13/03/2023	THB 10,658,000	287	0.15
Romania Government Bond 5% 12/02/2029	RON 1,515,000	279	0.15
Turkey Government Bond 7.1% 08/03/2023	TRY 1,876,235	199	0.10
Malaysia Government Bond 3.492% 31/03/2020	MYR 1,059,000	196	0.10
Malaysia Government Bond 3.659% 15/10/2020	MYR 1,058,000	196	0.10
Bonos Tesoreria Pesos 4% 01/03/2023	CLP 155,000,000	180	0.09
Czech Republic Government Bond 2.5% 25/08/2028	CZK 3,570,000	126	0.07
Thailand Government Bond 3.58% 17/12/2027	THB 4,710,000	122	0.06
Indonesia Treasury Bond 9% 15/03/2029~	IDR 1,000,000	–	–
		139,536	**72.90**
GOVERNMENT TREASURY BILLS 5.16% (28.02.18: 5.49%)			
Egypt Treasury Bill 07/01/2020	EGP 106,225,000	3,959	2.07
Nigeria Treasury Bill 05/12/2019	NGN 778,758,000	1,441	0.75
Egypt Treasury Bill 24/12/2019	EGP 28,250,000	1,058	0.55
Nigeria Treasury Bill 30/01/2020	NGN 532,882,000	961	0.50
Egypt Treasury Bill 21/01/2020	EGP 16,600,000	616	0.32
Nigeria Treasury Bill 12/12/2019	NGN 257,228,000	475	0.25
Nigeria Treasury Bill 19/12/2019	NGN 257,229,000	473	0.25
Nigeria Treasury Bill 26/12/2019	NGN 257,190,000	471	0.25
Egypt Treasury Bill 19/03/2019	EGP 10,000,000	425	0.22
		9,879	**5.16**

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
DERIVATIVES – FUTURES 0.11% (28.02.18: 0.23%)					
South African R2035 Bond Futures 02/05/2019			1,034	67	0.04
South African R2030 Bond Futures 02/05/2019			1,149	65	0.03
South African R2037 Bond Futures 02/05/2019			773	42	0.02
South African R186 Bond Futures 02/05/2019			531	30	0.02
South African R208 Bond Futures 02/05/2019			488	8	–
United States Long Bond Futures 19/06/2019~			(6)	–	–
United States Treasury Note 5 Year Futures 28/06/2019			(15)	(2)	–
United States Treasury Note 10 Year Futures 19/06/2019			(35)	(4)	–
				206	**0.11**
DERIVATIVES – CURRENCY SWAPS (0.11%) (28.02.18: 0.02%)					
Goldman Sachs Currency Swap TRY for USD 13.83% 28/11/2019			3,940,000	547	0.29
Goldman Sachs Currency Swap TRY for USD 13.83% 28/11/2019			(1,000,000)	(757)	(0.40)
				(210)	**(0.11)**
DERIVATIVES – INTEREST RATE SWAPS (0.27%) (28.02.18: (0.47%))					
Goldman Sachs Interest Rate Swap pay 1.993% 12/02/2024~			1,727,928	–	–
Citibank Interest Rate Swap pay 2.2372% 02/08/2023			13,569,013	(71)	(0.03)
Goldman Sachs Interest Rate Swap pay 3.032% 03/03/2027			6,471,007	(98)	(0.05)
Goldman Sachs Interest Rate Swap pay 9.3685% 19/01/2046			14,090,000	(102)	(0.06)
Goldman Sachs Interest Rate Swap pay 9.32% 14/01/2046			16,600,000	(116)	(0.06)
Goldman Sachs Interest Rate Swap pay 2.7535% 19/12/2028			1,086,780,000	(143)	(0.07)
				(530)	**(0.27)**
DERIVATIVES – TOTAL RETURN SWAPS 4.63% (28.02.18: 6.26%)					
Citibank – Indonesia Government Total Return Swap 10.5% 15/08/2030			47,231,000,000	2,978	1.56
Standard Chartered – Indonesia Government Total Return Swap 10% 15/02/2028			45,225,000,000	2,728	1.43
Standard Chartered – Indonesia Government Total Return Swap 9.5% 15/07/2031			27,544,000,000	1,624	0.85
Standard Chartered – Indonesia Government Total Return Swap 10.5% 15/08/2030			12,464,000,000	786	0.41
Citibank – Indonesia Government Total Return Swap 10.25% 15/07/2027			7,000,000,000	426	0.22
Citibank – Indonesia Government Total Return Swap 10% 15/02/2028			5,000,000,000	302	0.16
				8,844	**4.63**
FORWARD FOREIGN EXCHANGE CONTRACTS 0.13% (28.02.18: 1.51%)					
FORWARD CURRENCY CONTRACTS					
US DOLLAR					
Buy USD	1,522,862	for GBP	(1,189,000)	(45)	(0.02)
Sell USD	(1,423,889)	for GBP	1,104,672	35	0.02
				(10)	**–**
FORWARD CROSS CURRENCY CONTRACTS					
Buy ARS	68,350,615	for USD	(1,636,353)	(6)	–
Buy BRL	124,677,315	for USD	(32,826,646)	403	0.21
Buy CLP	5,709,574,039	for USD	(8,348,604)	333	0.17
Buy CNH	38,962,000	for USD	(5,695,691)	101	0.05
Buy COP	22,476,351,427	for USD	(7,110,140)	154	0.08
Buy CZK	303,774,300	for USD	(13,373,880)	124	0.06
Buy EUR	10,251,940	for USD	(11,685,496)	26	0.01
Buy GHS	4,425,064	for USD	(784,431)	(13)	(0.01)
Buy HUF	1,909,550,916	for USD	(6,891,129)	11	0.01
Buy IDR	116,835,230,765	for USD	(8,082,708)	159	0.08
Buy ILS	13,363,198	for USD	(3,649,452)	46	0.02
Buy INR	432,180,468	for USD	(6,078,959)	11	0.01
Buy KRW	7,292,610,000	for USD	(6,563,842)	(46)	(0.02)
Buy KZT	2,264,966,908	for USD	(5,984,727)	43	0.02
Buy MXN	151,322,514	for USD	(7,433,663)	329	0.17
Buy NGN	959,101,746	for USD	(2,527,230)	20	0.01
Buy PEN	11,987,000	for USD	(3,546,933)	63	0.03
Buy PHP	46,588,466	for USD	(875,341)	19	0.01
Buy PLN	51,814,353	for USD	(13,674,186)	46	0.02
Buy RON	35,475,000	for USD	(8,608,034)	(54)	(0.03)
Buy RUB	354,113,521	for USD	(5,279,801)	73	0.04
Buy SGD	1,340,000	for USD	(975,719)	14	0.01
Buy THB	496,403,918	for USD	(15,208,018)	413	0.22
Buy TRY	42,630,000	for USD	(7,869,495)	54	0.03
Buy TWD	43,794,624	for USD	(1,429,799)	(5)	–
Buy USD	243,659	for ARS	(9,510,000)	2	–

Portfolio Statement continued

As at 28 February 2019

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD CROSS CURRENCY CONTRACTS (continued)					
Buy USD	26,628,224	for BRL	(102,197,540)	(565)	(0.30)
Buy USD	5,944,085	for CLP	(3,880,247,000)	(23)	(0.01)
Buy USD	2,311,572	for CNH	(15,976,000)	(59)	(0.03)
Buy USD	2,609,222	for COP	(8,265,293,000)	(61)	(0.03)
Buy USD	9,407,537	for CZK	(211,724,694)	(22)	(0.01)
Buy USD	15,651,186	for EUR	(13,671,701)	17	0.01
Buy USD	1,520,995	for GHS	(7,643,000)	93	0.05
Buy USD	1,141,482	for HUF	(321,163,623)	(15)	(0.01)
Buy USD	3,457,295	for IDR	(50,201,561,539)	(80)	(0.04)
Buy USD	6,247,829	for ILS	(23,396,556)	(187)	(0.10)
Buy USD	11,792,407	for INR	(856,150,000)	(209)	(0.11)
Buy USD	860,758	for KRW	(967,489,618)	(2)	–
Buy USD	940,761	for KZT	(355,267,076)	(5)	–
Buy USD	4,639,581	for MXN	(93,722,790)	(177)	(0.09)
Buy USD	7,486,020	for NGN	(2,886,273,829)	(125)	(0.07)
Buy USD	1,149,989	for PEN	(3,845,022)	(11)	(0.01)
Buy USD	11,391,822	for PHP	(607,179,999)	(265)	(0.14)
Buy USD	10,967,129	for PLN	(41,232,432)	28	0.01
Buy USD	4,254,397	for RON	(17,715,880)	(6)	–
Buy USD	12,989,638	for RUB	(870,798,967)	(176)	(0.09)
Buy USD	979,269	for SGD	(1,340,000)	(11)	(0.01)
Buy USD	3,288,021	for THB	(107,059,288)	(83)	(0.04)
Buy USD	5,875,887	for TRY	(33,345,931)	(253)	(0.13)
Buy USD	15,939,923	for TWD	(486,026,030)	110	0.06
Buy USD	3,983,265	for ZAR	(55,706,324)	1	–
Buy ZAR	265,324,258	for USD	(18,908,237)	37	0.02
				271	**0.13**
Portfolio of investments^				174,567	91.23
Net other assets*				16,782	8.77
Net assets				**191,349**	**100.00**

^ Including derivative liabilities.
† A related party to the Fund.
~ The market value of the holdings is below £500 and is therefore rounded down to £0.
* The net other assets figure includes bank and short term cash deposits.
The collective investment schemes investments, currency rate swaps, interest rate swaps, total return swaps and the forward foreign exchange contracts are not listed.
Derivatives can be exchange traded or Over the Counter (OTC) contracts.
The value of collateral held in relation to swap contracts is £1,195,219 (28.02.18: £490,000).
Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Portfolio Analysis

As at 28 February 2019

Portfolio Analysis

ASSET	28.02.19 MARKET VALUE (£'000)	28.02.19 PERCENTAGE OF NET ASSETS (%)	28.02.18 MARKET VALUE (£'000)	28.02.18 PERCENTAGE OF NET ASSETS (%)
Bonds	151,432	79.13	180,730	77.51
Collective Investment Schemes	4,685	2.45	5,499	2.36
Derivatives	8,310	4.36	14,073	6.04
Forward Foreign Exchange Contracts	261	0.13	3,503	1.51
Government Treasury Bills	9,879	5.16	16,945	7.27
Net other assets	16,782	8.77	12,374	5.31
Net assets	**191,349**	**100.00**	**233,124**	**100.00**

Credit Breakdown*

ASSET	28.02.19 MARKET VALUE (£'000)	28.02.19 PERCENTAGE OF NET ASSETS (%)	28.02.18 MARKET VALUE (£'000)	28.02.18 PERCENTAGE OF NET ASSETS (%)
AAA	4,072	2.13	2,277	0.98
AA	3,636	1.90	3,724	1.60
A	50,467	26.34	46,341	19.88
BBB	60,170	31.46	71,301	30.57
BB	27,409	14.33	40,973	17.57
B	5,678	2.97	3,315	1.42
Total Bonds	**151,432**	**79.13**	**180,730**	**77.51**

*Bond ratings are Investec approximations.

Global Dynamic Fund

Portfolio Statement

As at 28 February 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AUSTRALIA 3.87% (28.02.18: 0.00%)			
CSL	46,468	4,831	1.94
Santos	1,294,485	4,809	1.93
		9,640	**3.87**
CAYMAN ISLANDS 1.89% (28.02.18: 3.29%)			
CK Asset	754,423	**4,702**	**1.89**
CHINA 2.72% (28.02.18: 0.00%)			
Wuliangye Yibin	842,194	**6,772**	**2.72**
FRANCE 4.43% (28.02.18: 5.81%)			
Teleperformance	44,384	5,950	2.39
Vinci	71,000	5,085	2.04
		11,035	**4.43**
GERMANY 0.00% (28.02.18: 1.85%)			
HONG KONG 2.48% (28.02.18: 4.01%)			
AIA	822,774	**6,181**	**2.48**
IRELAND 1.87% (28.02.18: 1.90%)			
Accenture	38,651	**4,667**	**1.87**
ITALY 2.09% (28.02.18: 0.00%)			
UniCredit	509,264	**5,215**	**2.09**
JAPAN 6.72% (28.02.18: 7.83%)			
Fuji Electric	197,357	4,680	1.88
Suzuki Motor	112,635	4,347	1.74
Komatsu	231,457	4,286	1.72
Takeda Pharmaceutical	113,151	3,428	1.38
		16,741	**6.72**
MEXICO 1.87% (28.02.18: 3.62%)			
Grupo Mexico	2,355,600	**4,650**	**1.87**
NETHERLANDS 1.13% (28.02.18: 1.97%)			
NN	86,305	**2,824**	**1.13**
PUERTO RICO 2.51% (28.02.18: 2.23%)			
Popular	149,921	**6,255**	**2.51**
RUSSIA 0.00% (28.02.18: 2.45%)			
SOUTH KOREA 0.00% (28.02.18: 1.96%)			
SPAIN 1.88% (28.02.18: 1.97%)			
Amadeus IT	81,433	**4,688**	**1.88**
SWITZERLAND 0.99% (28.02.18: 0.00%)			
Nestle	36,166	**2,474**	**0.99**
UNITED KINGDOM 3.73% (28.02.18: 7.86%)			
Rio Tinto	108,691	4,702	1.89
Royal Dutch Shell	193,575	4,601	1.84
		9,303	**3.73**
UNITED STATES 56.29% (28.02.18: 51.58%)			
Thermo Fisher Scientific	33,486	6,522	2.62
VMware	42,562	5,631	2.26
UnitedHealth	29,526	5,552	2.23
PayPal	75,064	5,521	2.21
Worldpay	74,501	5,469	2.19

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
UNITED STATES 56.29% (28.02.18: 51.58%) (continued)			
Citigroup	111,889	5,416	2.17
Alexion Pharmaceuticals	52,638	5,380	2.16
Comcast	183,995	5,329	2.14
Mastercard	31,398	5,300	2.13
Anthem	22,747	5,234	2.10
Wyndham Destinations	149,816	5,230	2.10
Unum	185,458	5,218	2.09
Booking	3,627	5,199	2.09
Microsoft	61,437	5,180	2.08
Marsh & McLennan	72,361	5,048	2.02
AutoZone	7,210	4,943	1.98
Discover Financial Services	91,592	4,905	1.97
Honeywell International	41,634	4,838	1.94
HP	269,328	4,825	1.94
TransUnion	101,551	4,824	1.94
Alphabet	5,642	4,762	1.90
Foot Locker	103,115	4,600	1.85
Snap-on	37,001	4,532	1.82
DaVita	105,862	4,530	1.82
Extended Stay America	334,666	4,503	1.81
TopBuild	99,123	4,450	1.78
DowDuPont	104,996	4,319	1.73
Range Resources	373,612	2,907	1.17
Resideo Technologies	6,939	137	0.05
		140,304	**56.29**
Portfolio of investments		235,451	94.47
Net other assets*		13,790	5.53
Net assets		**249,241**	**100.00**

* The net other assets figure includes bank and short term cash deposits.
Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Global Equity Fund

Portfolio Statement

As at 28 February 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AUSTRALIA 1.14% (28.02.18: 1.31%)			
Santos	511,109	**1,899**	**1.14**
BRAZIL 0.19% (28.02.18: 0.40%)			
Qualicorp	100,566	**314**	**0.19**
CANADA 0.39% (28.02.18: 1.31%)			
Canadian Natural Resources	30,171	**648**	**0.39**
CAYMAN ISLANDS 1.51% (28.02.18: 2.25%)			
CK Asset	247,586	1,544	0.93
WH	1,442,500	963	0.58
		2,507	**1.51**
CHINA 1.58% (28.02.18: 4.09%)			
Kweichow Moutai	22,590	1,918	1.15
China Vanke	253,200	721	0.43
		2,639	**1.58**
DENMARK 1.16% (28.02.18: 2.01%)			
Novo Nordisk	52,691	**1,941**	**1.16**
FRANCE 1.01% (28.02.18: 3.73%)			
Pernod Ricard	13,033	**1,681**	**1.01**
GERMANY 0.00% (28.02.18: 0.87%)			
HONG KONG 3.82% (28.02.18: 3.61%)			
AIA	387,800	2,913	1.75
CNOOC	1,091,436	1,415	0.85
BOC Hong Kong	408,737	1,282	0.77
China Taiping Insurance	320,600	746	0.45
		6,356	**3.82**
INDIA 1.92% (28.02.18: 0.71%)			
Tech Mahindra	177,820	1,556	0.93
Infosys ADR	154,120	1,240	0.74
Infosys	54,532	423	0.25
		3,219	**1.92**
IRELAND 1.48% (28.02.18: 0.00%)			
Medtronic	36,134	**2,469**	**1.48**
ISRAEL 0.93% (28.02.18: 0.59%)			
Nice ADR	17,659	**1,556**	**0.93**
JAPAN 4.39% (28.02.18: 5.74%)			
Asahi	66,200	2,157	1.29
Tokio Marine	50,000	1,841	1.10
Sumitomo Mitsui Financial	57,400	1,535	0.92
Komatsu	63,800	1,181	0.71
Takeda Pharmaceutical	20,426	619	0.37
		7,333	**4.39**
JERSEY 0.00% (28.02.18: 0.63%)			
NETHERLANDS 0.66% (28.02.18: 1.50%)			
ASR Nederland	33,297	**1,092**	**0.66**
NORWAY 0.00% (28.02.18: 0.48%)			
SINGAPORE 0.93% (28.02.18: 2.90%)			
DBS	112,200	**1,554**	**0.93**

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
SOUTH KOREA 1.77% (28.02.18: 1.30%)			
Samsung Electronics	74,848	2,256	1.35
Shinhan Financial	23,819	693	0.42
		2,949	**1.77**
SPAIN 3.53% (28.02.18: 4.03%)			
Iberdrola	393,582	2,477	1.49
Repsol	125,397	1,624	0.97
Amadeus IT	22,411	1,290	0.77
Aena	3,702	500	0.30
		5,891	**3.53**
SWITZERLAND 1.44% (28.02.18: 0.00%)			
Glencore	449,664	1,367	0.82
Swatch	4,657	1,035	0.62
		2,402	**1.44**
THAILAND 0.00% (28.02.18: 1.13%)			
UNITED KINGDOM 6.74% (28.02.18: 8.46%)			
Unilever	55,762	2,223	1.33
Royal Dutch Shell	83,561	1,986	1.19
Coca-Cola	38,148	1,344	0.81
Lloyds Banking	2,054,753	1,294	0.78
British American Tobacco	45,507	1,251	0.75
Rio Tinto	23,820	1,030	0.62
Imperial Brands	31,451	785	0.47
Nomad Foods	53,453	757	0.45
Delphi Technologies	34,928	573	0.34
		11,243	**6.74**
UNITED STATES 63.16% (28.02.18: 52.10%)			
Microsoft	67,142	5,662	3.40
Alphabet	6,448	5,442	3.26
Comcast	109,024	3,158	1.90
Merck	48,954	2,966	1.78
Johnson & Johnson	28,615	2,923	1.75
Bank of America	127,954	2,840	1.70
UnitedHealth	14,567	2,739	1.64
Honeywell International	22,408	2,604	1.56
Thermo Fisher Scientific	12,861	2,505	1.50
VMware	17,453	2,309	1.39
Citigroup	47,395	2,294	1.38
Amazon.com	1,855	2,288	1.37
Norfolk Southern	16,290	2,214	1.33
Apple	16,720	2,198	1.32
Booking	1,508	2,162	1.30
PayPal	27,967	2,057	1.23
NetApp	41,254	2,049	1.23
Marsh & McLennan	26,587	1,855	1.11
Intel	45,863	1,835	1.10
Anthem	7,879	1,813	1.09
Mastercard	10,592	1,788	1.07
Nike	27,289	1,767	1.06
Chevron	19,511	1,761	1.06
Tiffany	24,141	1,738	1.04
Ingersoll-Rand	20,807	1,673	1.00
Worldpay	22,349	1,641	0.99
Discover Financial Services	30,016	1,607	0.96
Morgan Stanley	49,712	1,590	0.95
Aflac	42,649	1,571	0.94
Eli Lilly	16,330	1,543	0.93
TransUnion	31,281	1,486	0.89
Unum	51,714	1,455	0.87
Broadcom	6,884	1,405	0.84
Cigna	10,236	1,391	0.83
Raytheon	9,868	1,375	0.83
Foot Locker	30,495	1,361	0.82
Snap-On	11,095	1,359	0.82

Portfolio Statement continued

As at 28 February 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
UNITED STATES 63.16% (28.02.18: 52.10%) (continued)			
Mosaic	53,981	1,305	0.78
CBS	34,270	1,278	0.77
Gaming and Leisure Properties‡	46,305	1,276	0.77
Goldman Sachs	8,283	1,233	0.74
Valero Energy	18,416	1,150	0.69
AMC Networks	24,035	1,149	0.69
Alexion Pharmaceuticals	11,175	1,142	0.69
Mondelez International	32,103	1,137	0.68
HP	62,884	1,126	0.68
Carnival	26,708	1,124	0.67
FNF	41,458	1,085	0.65
American Financial	14,461	1,076	0.65
Delta Air Lines	25,977	984	0.59
Radian	61,936	955	0.57
Lear	7,600	880	0.53
Jacobs Engineering	14,794	832	0.50
Generac	21,013	819	0.49
Globus Medical	23,267	812	0.49
WestRock	27,988	812	0.49
Hess	18,284	799	0.48
Entergy	11,160	776	0.47
Range Resources	93,555	728	0.44
Hanesbrands	48,163	680	0.41
Wyndham Hotels & Resorts	16,437	648	0.39
Wyndham Destinations	16,437	574	0.34
Resideo Technologies	23,160	456	0.27
		105,260	**63.16**
Portfolio of investments		162,953	97.75
Net other assets*		3,750	2.25
Net assets		**166,703**	**100.00**

* The net other assets figure includes bank and short term cash deposits.
‡ Real Estate Investment Trust (REIT).
Stocks shown as ADRs represent American Depositary Receipts.
Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Global Gold Fund

Portfolio Statement

As at 28 February 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AUSTRALIA 20.69% (28.02.18: 16.11%)			
Newcrest Mining	1,268,067	16,549	6.03
Northern Star Resources	2,474,565	12,288	4.48
Evolution Mining	4,804,878	9,286	3.39
Regis Resources	2,483,842	7,107	2.59
Saracen Mineral	2,856,365	3,971	1.45
Aurelia Metals	6,439,742	3,042	1.11
Dacian Gold	1,564,734	2,369	0.86
Resolute Mining	3,657,567	2,150	0.78
		56,762	**20.69**
CANADA 57.63% (28.02.18: 46.53%)			
Barrick Gold	2,560,465	24,059	8.77
Agnico Eagle Mines	708,808	22,627	8.25
Kirkland Lake Gold	649,444	17,586	6.41
Wheaton Precious Metals	749,795	12,383	4.52
B2Gold	5,121,729	12,374	4.51
Yamana Gold	5,722,215	11,047	4.03
Pan American Silver	971,602	9,984	3.64
Kinross Gold	3,893,142	9,833	3.59
SSR Mining	932,002	9,829	3.58
OceanaGold	3,213,606	7,783	2.84
IAMGOLD	1,918,388	4,860	1.77
Alamos Gold	1,192,684	4,334	1.58
Centerra Gold	817,208	3,193	1.16
Pretium Resources	478,144	2,889	1.05
Alacer Gold	1,384,203	2,672	0.98
Osisko Mining	1,292,843	2,607	0.95
		158,060	**57.63**
CAYMAN ISLANDS 3.09% (28.02.18: 3.20%)			
Endeavour Mining	710,018	**8,480**	**3.09**
IRELAND 0.00% (28.02.18: 5.94%)			
JERSEY 2.86% (28.02.18: 5.84%)			
ETFS Physical Platinum	71,116	4,417	1.61
Centamin	3,757,327	3,437	1.25
		7,854	**2.86**
SOUTH AFRICA 4.55% (28.02.18: 6.71%)			
AngloGold Ashanti	1,142,124	**12,473**	**4.55**
UNITED KINGDOM 0.56% (28.02.18: 2.58%)			
Acacia Mining	696,183	**1,534**	**0.56**
UNITED STATES 9.16% (28.02.18: 11.88%)			
Newmont Mining	983,149	**25,135**	**9.16**
Portfolio of investments		270,298	98.54
Net other assets*		3,992	1.46
Net assets		**274,290**	**100.00**

* The net other assets figure includes bank and short term cash deposits.
Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Investec UK Sustainable Equity Fund

Portfolio Statement

As at 28 February 2019

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
UNITED KINGDOM 92.25% (28.02.18: N/A)			
Unilever	1,368	54	5.17
RELX	3,052	53	5.07
Experian	2,342	46	4.40
London Stock Exchange	859	39	3.74
Reckitt Benckiser	628	36	3.44
Smith & Nephew	2,528	36	3.44
Clinigen Healthcare	3,649	34	3.25
Avast	9,288	28	2.68
Countryside Properties	8,368	27	2.58
GB Group	5,547	27	2.59
BT	11,797	25	2.39
FDM	3,109	25	2.39
Prudential	1,593	25	2.39
Croda International	522	25	2.39
AstraZeneca	405	25	2.39
Compass	1,467	24	2.30
Halma	1,507	23	2.20
Sage	3,284	22	2.11
PayPoint	2,454	21	2.01
Informa	3,017	21	2.01
Spirax-Sarco Engineering	313	21	2.01
Close Brothers	1,372	21	2.01
GlaxoSmithKline	1,334	20	1.91
Blue Prism	1,429	20	1.91
IntegraFin	5,315	19	1.82
Polypipe	4,467	19	1.82
AVEVA	606	18	1.72
AJ Bell	6,180	18	1.72
Smart Metering Systems	2,825	18	1.72
Costain	4,708	18	1.72
Hotel Chocolat	5,345	17	1.63
Oxford Instruments	1,687	17	1.63
Kainos	3,565	17	1.63
Tracsis	2,484	16	1.53
Genus	663	14	1.34
PureTech Health	8,332	14	1.34
Abcam	923	12	1.15
Ceres Power	7,363	11	1.06
Gamma Communications	1,215	10	0.96
Accsys Technologies	9,234	10	0.96
Ricardo	1,474	9	0.86
Nanoco	17,008	9	0.86
		964	**92.25**
UNITED STATES 1.15% (28.02.18: N/A)			
Boku	16,467	**12**	**1.15**
Portfolio of investments		976	93.40
Net other assets*		69	6.60
Net assets		**1,045**	**100.00**

* The net other assets figure includes bank and short term cash deposits.
The Fund launched on 14 December 2018, therefore no comparatives are available.
Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

Authorised Corporate Director's Report

Authorised Corporate Director's report

The Authorised Corporate Director (the "ACD") of Investec Funds Series iii (the "Company") is Investec Fund Managers Limited. The ACD is the sole director of the Company.

Authorised status

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC125 and authorised by the Financial Conduct Authority ("FCA") with effect from 7 September 2001.

The Company is structured as an umbrella company in that different sub-funds (the "Funds") may be established from time to time by the ACD with the approval of the FCA. The Company currently comprises five Funds.

The Company (and therefore the Funds) has been certified by the FCA as complying with the conditions necessary for it to enjoy rights conferred by the EC Directive on Undertakings for Collective Investment in Transferable Securities ("UCITS"). The Company has an unlimited duration.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA's Collective Investment Scheme Sourcebook ("COLL") and the investment objective and policy of the relevant Fund.

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable.

So far as shareholders are concerned, each Fund is treated as a separate entity.

Under English law, the Funds are segregated portfolios of assets and the assets of a Fund belong exclusively to that Fund. The assets of a Fund shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within each Fund charges will be allocated between share classes in accordance with their terms of issue. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the shareholders generally. This will normally be pro rata to the net asset value of the relevant Funds. Shareholders are not liable for the debts of the Company.

Accounting period covered by these accounts

The accounting period covered in these accounts is from 1 March 2018 to 28 February 2019.

Changes during the accounting period

Changes made following required notice:

After consultation with the Depositary and in accordance with the requirements of Section 4.3 of COLL, shareholders were given notice of the following:

On 31 July 2018, of the ability of the ACD to compulsorily convert all as well as some shareholders in a share class to another share class where it is in their interests and the rights attaching to said share class are the same.

Other changes made

Share class launches and closures:

The following share class was closed on 5 October 2018:

Global Dynamic Fund, I Acc, EUR.

The following share classes were launched on 14 December 2018:

UK Sustainable Equity Fund, I Acc, GBP.
UK Sustainable Equity Fund, K Acc, GBP.
UK Sustainable Equity Fund, R Acc, GBP.
UK Sustainable Equity Fund, S Acc, GBP.

The Prospectus was updated on 6 April 2018 to include changes required in respect of the Regulation (EU)2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (Benchmarks Regulation).

The Prospectus was updated on 31 May 2018 to:

(a) reflect the increase of the Emerging Markets Local Currency Debt Fund's global expected level of leverage created through derivative usage from 296% to 469%; and

(b) include changes required in respect of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR).

The Prospectus was updated on 7 December 2018 to reflect the addition of CIBM - Bond Connect to the list of eligible securities markets.

The Prospectus was updated on 14 December 2018 to reflect the launch of the UK Sustainable Equity Fund.

K. McFarland
Director of the ACD

D. Aird
Director of the ACD

2 May 2019

Statement of Authorised Corporate Director's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ('the COLL Rules') require the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net income and net gains or losses on the property of the Company for the period.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

Statement of Depositary's Responsibilities and Report to Shareholders

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Investec Funds Series iii ICVC ('the Company') for the year ended 28 February 2019.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager 'the AFM' which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited
2 May 2019

Independent Auditor's Report

Independent auditor's report to the shareholders of Investec Series iii ('the Company')

Opinion

We have audited the financial statements of the Company for the year ended 28 February 2019 which comprise the *Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables* for each of the Company's sub-funds listed on page 1 and the accounting policies set out on page 51.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the sub-funds as at 28 February 2019 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the company's and its sub-funds' business model, including the impact of Brexit, and analysed how those risks might affect the company's and its sub-funds' financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company or its sub-funds will continue in operation.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 33 the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Paul McKechnie
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

2 May 2019

Emerging Markets Local Currency Debt Fund

Comparative Tables

As at 28 February 2019

Financial year	'A' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	'A' Class (Accumulation shares)(1) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	189.21	182.14	147.74	–	203.89	164.01
Return before operating charges*	(6.46)	10.11	38.51	–	4.29	42.88
Operating charges	(3.00)	(3.04)	(2.78)	–	(0.36)	(3.00)
Return after operating charges*	(9.46)	7.07	35.73	–	3.93	39.88
Return to shareholder as a result of class closure	–	–	–	–	(207.82)	–
Distributions	(8.14)	(10.26)	(8.93)	–	–	(9.98)
Retained distributions on accumulation shares	8.14	10.26	7.60	–	–	9.98
Closing net asset value per share	179.75	189.21	182.14	–	–	203.89
* after direct transaction costs of:	0.00	0.06	0.07	–	0.01	0.08
Performance						
Return after charges	(5.00%)	3.88%	24.18%	–	1.93%	24.32%
Other information						
Closing net asset value (£'000)	21,439	27,651	15,333	–	–	9,287
Closing number of shares	11,926,934	14,613,942	8,418,092	–	–	4,554,927
Operating charges	1.63%	1.64%	1.66%	–	1.64%	1.66%
Direct transaction costs‡	0.00%	0.03%	0.04%	–	0.03%	0.04%
Prices						
Highest share price	190.16	193.36	190.13	–	209.84	212.65
Lowest share price	167.86	179.55	146.14	–	205.24	162.63

Financial year	'A' Class (USD Accumulation shares) 28.02.19 (c)	28.02.18 (c)	28.02.17 (c)	'A' Class (Income-2 shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	293.34	253.80	227.37	98.93	102.29	88.28
Return before operating charges*	(21.09)	44.03	30.50	(3.44)	5.58	19.02
Operating charges	(4.43)	(4.49)	(4.07)	(1.53)	(1.68)	(1.62)
Return after operating charges*	(25.52)	39.54	26.43	(4.97)	3.90	17.40
Distributions	(11.95)	(15.22)	(13.08)	(5.68)	(7.26)	(3.39)
Retained distributions on accumulation shares	11.95	15.22	13.08	–	–	–
Closing net asset value per share	267.82	293.34	253.80	88.28	98.93	102.29
* after direct transaction costs of:	0.00	0.09	0.11	0.00	0.03	0.04
Performance						
Return after charges	(8.70%)	15.58%	11.62%	(5.02%)	3.81%	19.71%
Other information						
Closing net asset value ($'000)/(£'000)	520	1,010	1,160	3,442	4,179	7,319
Closing number of shares	194,213	344,344	456,994	3,898,727	4,224,220	7,155,872
Operating charges	1.63%	1.64%	1.66%	1.63%	1.64%	1.66%
Direct transaction costs‡	0.00%	0.03%	0.04%	0.00%	0.03%	0.04%
Prices						
Highest share price	295.58	297.26	263.49	99.44	106.57	110.08
Lowest share price	243.17	251.06	229.86	84.78	96.85	87.26

Comparative Tables

As at 28 February 2019

Financial year	'A' Class (Income-2 shares)(1) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	'I' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	–	102.90	88.82	109.66	104.76	84.45
Return before operating charges*	–	2.18	22.50	(3.75)	5.85	19.05
Operating charges	–	(0.18)	(1.63)	(0.95)	(0.95)	(0.87)
Return after operating charges*	–	2.00	20.87	(4.70)	4.90	18.18
Return to shareholder as a result of class closure	–	(104.90)	–	–	–	–
Distributions	–	–	(6.79)	(5.52)	(6.72)	(2.84)
Retained distributions on accumulation shares	–	–	–	5.52	6.72	4.97
Closing net asset value per share	–	–	102.90	104.96	109.66	104.76
* after direct transaction costs of:	–	0.00	0.04	0.00	0.03	0.04
Performance						
Return after charges	–	1.94%	23.50%	(4.29%)	4.68%	21.53%
Other information						
Closing net asset value (£'000)	–	–	2,853	51,399	63,463	30,240
Closing number of shares	–	–	2,772,246	48,969,102	57,872,754	28,864,888
Operating charges	–	1.64%	1.66%	0.88%	0.89%	0.91%
Direct transaction costs‡	–	0.03%	0.04%	0.00%	0.03%	0.04%
Prices						
Highest share price	–	105.93	110.98	110.21	111.66	109.11
Lowest share price	–	103.60	87.93	97.68	103.45	83.65

Financial year	'I' Class (Accumulation shares)(1) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	'I' Class (USD Accumulation shares) 28.02.19 (c)	28.02.18 (c)	28.02.17 (c)
Change in net assets per share						
Opening net asset value per share	–	216.15	172.62	313.62	269.31	239.43
Return before operating charges*	–	4.55	45.29	(22.52)	46.92	32.22
Operating charges	–	(0.21)	(1.76)	(2.61)	(2.61)	(2.34)
Return after operating charges*	–	4.34	43.53	(25.13)	44.31	29.88
Return to shareholder as a result of class closure	–	(220.49)	–	–	–	–
Distributions	–	–	(12.03)	(14.97)	(18.42)	(15.78)
Retained distributions on accumulation shares	–	–	12.03	14.97	18.42	15.78
Closing net asset value per share	–	–	216.15	288.49	313.62	269.31
* after direct transaction costs of:	–	0.01	0.08	0.00	0.09	0.11
Performance						
Return after charges	–	2.01%	25.22%	(8.01%)	16.45%	12.48%
Other information						
Closing net asset value (£'000)/($'000)	–	–	33,411	102,915	145,231	187,721
Closing number of shares	–	–	15,457,144	35,673,336	46,307,549	69,702,599
Operating charges	–	0.89%	0.91%	0.88%	0.89%	0.91%
Direct transaction costs‡	–	0.03%	0.04%	0.00%	0.03%	0.04%
Prices						
Highest share price	–	222.60	224.89	316.21	317.61	278.43
Lowest share price	–	217.60	171.47	261.00	266.43	242.05

Comparative Tables

As at 28 February 2019

	'I' Class (Income-2 shares)			'I' Class (Income-2 shares)[1]		
Financial year	**28.02.19 (p)**	**28.02.18 (p)**	**28.02.17 (p)**	**28.02.19 (p)**	**28.02.18 (p)**	**28.02.17 (p)**
Change in net assets per share						
Opening net asset value per share	82.96	85.14	72.95	–	97.20	83.28
Return before operating charges*	(2.90)	4.65	16.70	–	2.06	21.23
Operating charges	(0.70)	(0.76)	(0.72)	–	(0.09)	(0.84)
Return after operating charges*	(3.60)	3.89	15.98	–	1.97	20.39
Return to shareholder as a result of class closure	–	–	–	–	(99.17)	–
Distributions	(4.77)	(6.07)	(3.79)	–	–	(6.47)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	74.59	82.96	85.14	–	–	97.20
* after direct transaction costs of:	0.00	0.03	0.03	–	0.00	0.04
Performance						
Return after charges	(4.34%)	4.57%	21.91%	–	2.03%	24.48%
Other information						
Closing net asset value (£'000)	37,164	32,106	29,217	–	–	910
Closing number of shares	49,823,511	38,701,143	34,315,439	–	–	936,280
Operating charges	0.88%	0.89%	0.91%	–	0.89%	0.91%
Direct transaction costs‡	0.00%	0.03%	0.04%	–	0.03%	0.04%
Prices						
Highest share price	83.38	89.04	91.41	–	100.12	104.55
Lowest share price	71.38	81.06	72.24	–	97.87	82.63

	'R' Class (Accumulation shares)			'R' Class (Income-2 shares)		
Financial year	**28.02.19 (p)**	**28.02.18 (p)**	**28.02.17 (p)**	**28.02.19 (p)**	**28.02.18 (p)**	**28.02.17 (p)**
Change in net assets per share						
Opening net asset value per share	101.92	97.63	78.85	75.58	77.73	66.75
Return before operating charges*	(3.47)	5.43	17.89	(2.61)	4.30	14.39
Operating charges	(1.14)	(1.14)	(1.03)	(0.80)	(0.87)	(0.85)
Return after operating charges*	(4.61)	4.29	16.86	(3.41)	3.43	13.54
Distributions	(4.88)	(6.00)	(2.53)	(4.37)	(5.58)	(2.56)
Retained distributions on accumulation shares	4.88	6.00	4.45	–	–	–
Closing net asset value per share	97.31	101.92	97.63	67.80	75.58	77.73
* after direct transaction costs of:	0.00	0.03	0.04	0.00	0.02	0.03
Performance						
Return after charges	(4.52%)	4.39%	21.38%	(4.51%)	4.41%	20.28%
Other information						
Closing net asset value (£'000)	146	69	66	6	6	6
Closing number of shares	149,848	68,031	68,031	8,507	7,628	7,110
Operating charges	1.13%	1.14%	1.16%	1.13%	1.14%	1.16%
Direct transaction costs‡	0.00%	0.03%	0.04%	0.00%	0.03%	0.04%
Prices						
Highest share price	102.43	103.91	101.77	75.96	81.20	83.51
Lowest share price	90.66	96.34	78.08	64.95	73.88	66.04

Comparative Tables

As at 28 February 2019

	'S' Class (Accumulation shares)[2]		
Financial year	**28.02.19 (p)**	**28.02.18 (p)**	**28.02.17 (p)**
Change in net assets per share			
Opening net asset value per share	–	206.60	163.78
Return before operating charges*	–	14.26	43.10
Operating charges	–	(0.30)	(0.28)
Return after operating charges*	–	13.96	42.82
Return to shareholder as a result of class closure	–	(220.56)	–
Distributions	–	(3.45)	(13.06)
Retained distributions on accumulation shares	–	3.45	13.06
Closing net asset value per share	–	–	206.60
* after direct transaction costs of:	–	0.07	0.08
Performance			
Return after charges	–	6.76%	26.14%
Other information			
Closing net asset value (£'000)	–	–	22
Closing number of shares	–	–	10,572
Operating charges	–	0.14%	0.16%
Direct transaction costs‡	–	0.03%	0.04%
Prices			
Highest share price	–	220.56	214.35
Lowest share price	–	204.32	162.96

(1) Closed 7 April 2017.
(2) Closed 31 August 2017.
High and low prices are quoted at Mid valuation.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Global Dynamic Fund

Comparative Tables

As at 28 February 2019

	'A' Class (Accumulation shares)			'A' Class (USD Accumulation shares)		
	28.02.19	**28.02.18**	**28.02.17**	**28.02.19**	**28.02.18**	**28.02.17**
Financial year	**(p)**	**(p)**	**(p)**	**(c)**	**(c)**	**(c)**
Change in net assets per share						
Opening net asset value per share	153.37	141.56	109.30	212.78	176.52	151.74
Return before operating charges*	3.01	14.18	34.22	(4.30)	39.39	27.45
Operating charges	(2.45)	(2.37)	(1.96)	(3.24)	(3.13)	(2.67)
Return after operating charges*	0.56	11.81	32.26	(7.54)	36.26	24.78
Distributions	(0.48)	(0.55)	(0.40)	(0.64)	(0.74)	(0.51)
Retained distributions on accumulation shares	0.48	0.55	0.40	0.64	0.74	0.51
Closing net asset value per share	153.93	153.37	141.56	205.24	212.78	176.52
* after direct transaction costs of:	0.12	0.19	0.11	0.15	0.25	0.14
Performance						
Return after charges	0.37%	8.34%	29.52%	(3.54%)	20.54%	16.33%
Other information						
Closing net asset value (£'000)/($'000)	1,211	1,077	1,047	1,365	1,449	2,266
Closing number of shares	786,490	702,209	739,750	664,886	681,173	1,283,455
Operating charges	1.60%	1.59%	1.61%	1.60%	1.59%	1.61%
Direct transaction costs‡	0.08%	0.13%	0.09%	0.08%	0.13%	0.09%
Prices						
Highest share price	167.07	160.03	141.98	218.27	225.56	176.95
Lowest share price	135.77	137.64	106.41	172.13	176.68	151.07

	'B' Class (Accumulation shares)(1)			'I' Class (Accumulation shares)		
	28.02.19	**28.02.18**	**28.02.17**	**28.02.19**	**28.02.18**	**28.02.17**
Financial year	**(p)**	**(p)**	**(p)**	**(p)**	**(p)**	**(p)**
Change in net assets per share						
Opening net asset value per share	–	–	108.64	259.08	237.36	181.90
Return before operating charges*	–	–	23.37	5.11	23.84	57.23
Operating charges	–	–	(0.37)	(2.20)	(2.12)	(1.77)
Return after operating charges*	–	–	23.00	2.91	21.72	55.46
Return to shareholder as a result of class closure	–	–	(131.64)	–	–	–
Distributions	–	–	–	(2.76)	(2.78)	(2.24)
Retained distributions on accumulation shares	–	–	–	2.76	2.78	2.24
Closing net asset value per share	–	–	–	261.99	259.08	237.36
* after direct transaction costs of:	–	–	0.07	0.20	0.32	0.18
Performance						
Return after charges	–	–	21.17%	1.12%	9.15%	30.49%
Other information						
Closing net asset value (£'000)	–	–	–	120,559	135,379	298,712
Closing number of shares	–	–	–	46,017,378	52,253,946	125,847,304
Operating charges	–	–	–	0.85%	0.84%	0.86%
Direct transaction costs‡	–	–	0.09%	0.08%	0.13%	0.09%
Prices						
Highest share price	–	–	134.16	283.27	270.16	238.03
Lowest share price	–	–	106.00	230.77	231.02	177.40

Comparative Tables

As at 28 February 2019

Financial year	'I' Class (EUR Accumulation shares)(2) 28.02.19 (c)	28.02.18 (c)	28.02.17 (c)	'I' Class (GBP Hedged Accumulation shares)(3) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	109.14	103.56	86.06	119.15	102.64	100.00
Return before operating charges*	0.59	6.47	18.33	(2.46)	17.50	2.71
Operating charges	(0.59)	(0.89)	(0.83)	(1.01)	(0.99)	(0.07)
Return after operating charges*	–	5.58	17.50	(3.47)	16.51	2.64
Return to shareholder as a result of class closure	(109.14)	–	–	–	–	–
Distributions	–	(1.18)	(0.97)	(1.20)	(1.20)	(0.20)
Retained distributions on accumulation shares	–	1.18	0.97	1.20	1.20	0.20
Closing net asset value per share	–	109.14	103.56	115.68	119.15	102.64
* after direct transaction costs of:	0.05	0.13	0.08	0.09	0.14	0.09
Performance						
Return after charges	–	5.39%	20.33%	(2.91%)	16.09%	2.64%
Other information						
Closing net asset value (EUR'000)/(£'000)	–	2,993	2,479	123,574	111,368	22
Closing number of shares	–	2,741,961	2,393,602	106,827,542	93,467,759	20,000
Operating charges	–	0.84%	0.86%	0.89%	0.89%	0.89%
Direct transaction costs‡	0.08%	0.13%	0.09%	0.08%	0.13%	0.09%
Prices						
Highest share price	–	113.97	104.82	123.11	126.14	103.05
Lowest share price	–	99.66	84.40	97.61	102.47	100.00

Comparative Tables

As at 28 February 2019

	'R' Class (Accumulation shares)(4)			'S' Class (Accumulation shares)		
Financial year	28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	–	–	136.86	280.97	255.48	194.29
Return before operating charges*	–	–	19.77	5.49	25.76	61.41
Operating charges	–	–	0.00	(0.26)	(0.27)	(0.22)
Return after operating charges*	–	–	19.77	5.23	25.49	61.19
Return to shareholder as a result of class closure	–	–	(156.63)	–	–	–
Distributions	–	–	–	(5.14)	(5.05)	(4.06)
Retained distributions on accumulation shares	–	–	–	5.14	5.05	4.06
Closing net asset value per share	–	–	–	286.20	280.97	255.48
* after direct transaction costs of:	–	–	0.07	0.22	0.34	0.19
Performance						
Return after charges	–	–	14.45%	1.86%	9.98%	31.49%
Other information						
Closing net asset value (£'000)	–	–	–	2,872	234,921	270,536
Closing number of shares	–	–	–	1,003,436	83,610,651	105,892,218
Operating charges	–	–	–	0.10%	0.09%	0.11%
Direct transaction costs‡	–	–	0.09%	0.08%	0.13%	0.09%
Prices						
Highest share price	–	–	159.91	308.35	292.80	256.17
Lowest share price	–	–	133.40	251.81	248.91	189.79

(1) Closed 17 November 2016.
(2) Closed 5 October 2018.
(3) Launched 31 January 2017.
(4) Closed 9 September 2016.
High and low prices are quoted at Mid valuation.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Global Equity Fund

Comparative Tables

As at 28 February 2019

	'A' Class (Accumulation shares)			'A' Class (USD Accumulation shares)		
	28.02.19	28.02.18	28.02.17	28.02.19	28.02.18	28.02.17
Financial year	**(p)**	**(p)**	**(p)**	**(c)**	**(c)**	**(c)**
Change in net assets per share						
Opening net asset value per share	155.86	144.80	110.78	215.73	180.12	153.46
Return before operating charges*	2.47	13.51	36.09	(5.16)	38.82	29.39
Operating charges	(2.54)	(2.45)	(2.07)	(3.34)	(3.21)	(2.73)
Return after operating charges*	(0.07)	11.06	34.02	(8.50)	35.61	26.66
Distributions	(1.03)	(0.64)	(0.66)	(1.37)	(0.89)	(0.83)
Retained distributions on accumulation shares	1.03	0.64	0.66	1.37	0.89	0.83
Closing net asset value per share	155.79	155.86	144.80	207.23	215.73	180.12
* after direct transaction costs of:	0.10	0.17	0.10	0.13	0.23	0.14
Performance						
Return after charges	(0.04%)	7.64%	30.71%	(3.94%)	19.77%	17.37%
Other information						
Closing net asset value (£'000)/($'000)	3,078	4,666	4,529	4,806	6,462	5,880
Closing number of shares	1,975,552	2,993,856	3,127,639	2,318,862	2,995,449	3,264,610
Operating charges	1.61%	1.62%	1.62%	1.61%	1.62%	1.62%
Direct transaction costs‡	0.07%	0.12%	0.08%	0.07%	0.12%	0.08%
Prices						
Highest share price	167.70	163.07	145.29	218.27	227.36	180.65
Lowest share price	141.33	141.00	110.02	178.75	180.25	154.97

	'I' Class (Accumulation shares)			'I' Class (USD Accumulation shares)		
	28.02.19	28.02.18	28.02.17	28.02.19	28.02.18	28.02.17
Financial year	**(p)**	**(p)**	**(p)**	**(c)**	**(c)**	**(c)**
Change in net assets per share						
Opening net asset value per share	2220.72	2047.71	1555.05	146.03	121.01	102.31
Return before operating charges*	35.08	191.62	508.36	(3.47)	26.18	19.65
Operating charges	(19.41)	(18.61)	(15.70)	(1.24)	(1.16)	(0.94)
Return after operating charges*	15.67	173.01	492.66	(4.71)	25.02	18.71
Distributions	(31.49)	(25.24)	(22.78)	(1.97)	(1.66)	(1.23)
Retained distributions on accumulation shares	31.49	25.24	22.78	1.97	1.66	1.23
Closing net asset value per share	2,236.39	2,220.72	2,047.71	141.32	146.03	121.01
* after direct transaction costs of:	1.46	2.48	1.46	0.09	0.15	0.09
Performance						
Return after charges	0.71%	8.45%	31.68%	(3.23%)	20.68%	18.29%
Other information						
Closing net asset value (£'000)/($'000)	151,504	183,141	178,918	163	510	351
Closing number of shares	6,774,495	8,246,940	8,737,453	115,570	349,425	289,828
Operating charges	0.86%	0.87%	0.87%	0.86%	0.87%	0.87%
Direct transaction costs‡	0.07%	0.12%	0.08%	0.07%	0.12%	0.08%
Prices						
Highest share price	2,398.22	2,321.23	2,052.92	148.16	153.81	121.36
Lowest share price	2,026.05	1,996.12	1,546.86	121.73	121.12	103.33

Comparative Tables

As at 28 February 2019

Financial year	'R' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	'S' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	189.57	175.24	133.41	175.91	160.98	121.34
Return before operating charges*	3.00	16.38	43.56	2.78	15.13	39.82
Operating charges	(2.13)	(2.05)	(1.73)	(0.21)	(0.20)	(0.18)
Return after operating charges*	0.87	14.33	41.83	2.57	14.93	39.64
Distributions	(2.21)	(1.70)	(1.57)	(3.84)	(3.26)	(2.84)
Retained distributions on accumulation shares	2.21	1.70	1.57	3.84	3.26	2.84
Closing net asset value per share	190.44	189.57	175.24	178.48	175.91	160.98
* after direct transaction costs of:	0.12	0.21	0.12	0.12	0.20	0.11
Performance						
Return after charges	0.46%	8.18%	31.35%	1.46%	9.27%	32.67%
Other information						
Closing net asset value (£'000)	111	110	65	8,275	14,007	113,019
Closing number of shares	58,314	58,150	37,293	4,636,391	7,962,761	70,206,924
Operating charges	1.11%	1.12%	1.12%	0.11%	0.12%	0.12%
Direct transaction costs‡	0.07%	0.12%	0.08%	0.07%	0.12%	0.08%
Prices						
Highest share price	204.48	198.22	175.74	190.67	183.67	161.32
Lowest share price	172.61	170.77	132.64	161.48	157.08	120.90

Financial year	'S' Class (Income shares)(1) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share			
Opening net asset value per share	–	139.84	107.29
Return before operating charges*	–	8.62	35.22
Operating charges	–	(0.17)	(0.16)
Return after operating charges*	–	8.45	35.06
Return to shareholder as a result of class closure	–	(148.29)	–
Distributions	–	–	(2.51)
Closing net asset value per share	–	–	139.84
* after direct transaction costs of:	–	0.33	0.10
Performance			
Return after charges	–	6.04%	32.68%
Other information			
Closing net asset value (£'000)	–	–	960
Closing number of shares	–	–	686,394
Operating charges	–	0.12%	0.12%
Direct transaction costs‡	–	0.12%	0.08%
Prices			
Highest share price	–	148.31	142.65
Lowest share price	–	136.48	106.91

(1) Closed 7 April 2017.
High and low prices are quoted at Mid valuation.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Global Gold Fund

Comparative Tables

As at 28 February 2019

Financial year	'A' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	'A' Class (USD Accumulation shares) 28.02.19 (c)	28.02.18 (c)	28.02.17 (c)
Change in net assets per share						
Opening net asset value per share	116.90	134.72	105.62	161.69	167.47	146.21
Return before operating charges*	14.84	(15.75)	31.47	13.41	(3.05)	24.51
Operating charges	(1.93)	(2.07)	(2.37)	(2.56)	(2.73)	(3.25)
Return after operating charges*	12.91	(17.82)	29.10	10.85	(5.78)	21.26
Distributions	–	–	–	–	–	–
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	129.81	116.90	134.72	172.54	161.69	167.47
* after direct transaction costs of:	0.23	0.38	0.48	0.31	0.50	0.49
Performance						
Return after charges	11.04%	(13.23%)	27.55%	6.71%	(3.45%)	14.54%
Other information						
Closing net asset value (£'000)/($'000)	23,618	19,251	26,524	746	118	136
Closing number of shares	18,194,450	16,467,577	19,687,365	432,125	72,888	81,225
Operating charges	1.59%	1.64%	1.72%	1.59%	1.64%	1.72%
Direct transaction costs‡	0.19%	0.30%	0.35%	0.19%	0.30%	0.35%
Prices						
Highest share price	138.28	144.56	177.84	179.95	190.25	233.27
Lowest share price	103.15	115.14	100.82	133.81	151.77	138.50

Financial year	'I' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	'R' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	113.81	130.18	101.29	70.62	80.98	63.18
Return before operating charges*	14.50	(15.30)	30.17	9.00	(9.48)	18.83
Operating charges	(1.00)	(1.07)	(1.28)	(0.80)	(0.88)	(1.03)
Return after operating charges*	13.50	(16.37)	28.89	8.20	(10.36)	17.80
Distributions	(0.09)	–	–	–	–	–
Retained distributions on accumulation shares	0.09	–	–	–	–	–
Closing net asset value per share	127.31	113.81	130.18	78.82	70.62	80.98
* after direct transaction costs of:	0.23	0.37	0.46	0.14	0.23	0.29
Performance						
Return after charges	11.86%	(12.57%)	28.52%	11.61%	(12.79%)	28.17%
Other information						
Closing net asset value (£'000)	250,074	69,511	67,508	38	11	84
Closing number of shares	196,430,493	61,076,330	51,857,020	47,939	15,349	103,720
Operating charges	0.84%	0.89%	0.97%	1.10%	1.14%	1.22%
Direct transaction costs‡	0.19%	0.30%	0.35%	0.19%	0.30%	0.35%
Prices						
Highest share price	135.60	140.23	171.12	83.96	87.12	106.60
Lowest share price	100.81	112.05	96.70	62.49	69.54	60.30

Comparative Tables

As at 28 February 2019

	'S' Class (Accumulation shares)(1)		
Financial year	**28.02.19 (p)**	**28.02.18 (p)**	**28.02.17 (p)**
Change in net assets per share			
Opening net asset value per share	–	–	108.88
Return before operating charges*	–	–	34.49
Operating charges	–	–	(0.33)
Return after operating charges*	–	–	34.16
Return to shareholder as a result of class closure	–	–	(143.04)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	–	–	–
* after direct transaction costs of:	–	–	0.52
Performance			
Return after charges	–	–	31.37%
Other information			
Closing net asset value (£'000)	–	–	–
Closing number of shares	–	–	–
Operating charges	–	–	–
Direct transaction costs‡	–	–	0.35%
Prices			
Highest share price	–	–	184.51
Lowest share price	–	–	103.92

(1) Closed on 30 January 2017.
High and low prices are quoted at Mid valuation.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the 'Notes to the financial statements' for each of the individual funds.

Investec UK Sustainable Equity Fund

Comparative Tables

As at 28 February 2019

Financial year	'I' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	'K' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	100.00	–	–	100.00	–	–
Return before operating charges*	5.37	–	–	0.10	–	–
Operating charges	(0.18)	–	–	(0.10)	–	–
Return after operating charges*	5.19	–	–	–	–	
Distributions	(0.25)	–	–	(0.32)	–	–
Retained distributions on accumulation shares	0.25	–	–	0.32	–	–
Closing net asset value per share	105.19	–	–	105.27	–	–
* after direct transaction costs of:	0.41	–	–	0.41	–	–
Performance						
Return after charges	5.19%	–	–	–	–	–
Other information						
Closing net asset value (£'000)	1	–	–	1	–	–
Closing number of shares	1,000	–	–	1,000	–	–
Operating charges	0.79%	–	–	0.54%	–	–
Direct transaction costs‡	0.41%	–	–	0.41%	–	–
Prices						
Highest share price	106.49	–	–	106.57	–	–
Lowest share price	97.14	–	–	97.15	–	–

Financial year	'R' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)	'S' Class (Accumulation shares) 28.02.19 (p)	28.02.18 (p)	28.02.17 (p)
Change in net assets per share						
Opening net asset value per share	100.00	–	–	100.00	–	–
Return before operating charges*	5.37	–	–	5.36	–	–
Operating charges	(0.26)	–	–	(0.03)	–	–
Return after operating charges*	5.11	–	–	5.33	–	–
Distributions	(0.17)	–	–	(0.39)	–	–
Retained distributions on accumulation shares	0.17	–	–	0.39	–	–
Closing net asset value per share	105.11	–	–	105.33	–	–
* after direct transaction costs of:	0.41	–	–	0.41	–	–
Performance						
Return after charges	5.11%	–	–	5.33%	–	–
Other information						
Closing net asset value (£'000)	1	–	–	1,042	–	–
Closing number of shares	1,000	–	–	988,774	–	–
Operating charges	1.14%	–	–	0.14%	–	–
Direct transaction costs‡	0.41%	–	–	0.41%	–	–
Prices						
Highest share price	106.42	–	–	106.63	–	–
Lowest share price	97.12	–	–	97.16	–	–

Fund launched 14 December 2018, therefore no comparatives are available.
High and low prices are quoted at Mid valuation.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange, method of execution and the quality of research provided. They are made up of direct and indirect portfolio transaction costs:

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers. From 1 January 2018 the costs of research from brokers and other research providers is paid by Investec Asset Management and is no longer incurred by the funds.

Indirect portfolio transaction costs: ‘Dealing spread’ – the difference between the buying and selling prices of the fund’s investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid. Details of the dealing spread is shown in note 5 of the ‘Notes to the financial statements’ for each of the individual funds.

Notes to the Financial Statements of the Company

For the year ended 28 February 2019

1. Accounting policies
a) Basis of accounting
The financial statements on pages 51 to 101 have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investments Schemes Sourcebook. They have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland "FRS 102"), and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ('the 2014 SORP'). The financial statements are prepared on the going concern basis.

Changes in accounting policies
There have been no changes to the accounting policies as detailed in the audited financial statements for the year ended 28 February 2019.

b) Valuation of investments
The investments of the Funds have been valued at market value at noon (UK time) on 28 February 2019 net of any accrued interest. Suspended securities are valued at the last traded price or at the Fund Manager's best estimate of fair value based on market information and particular circumstances that led to the suspension subject to agreement from the ACD's valuation committee.

Market value is defined by the SORP as fair value which is generally the bid value.

Open Forward Currency Contracts are shown in the Portfolio Statement and are valued using contracted forward rates. The net gains/(losses) are reflected in "Forward currency contracts" in Net capital gains/(losses).

Open Futures Contracts are shown in the Portfolio Statement and are valued using broker prices. The net gains/(losses) are reflected in "Derivative contracts" in Net capital gains/(losses).

Open Swap Contracts are shown in the Portfolio Statement and at fair value. The net gains/(losses) are reflected in "Derivative contracts" in Net capital gains/(losses).

c) Exchange rates
Assets and liabilities held in overseas currencies have been translated into sterling at the exchange rates ruling at noon on 28 February 2019. Transactions during the year are translated at the rate ruling on the transaction date.

d) Recognition of revenue
Income encompasses both revenue and capital gains/(losses). Revenue generally includes items such as dividends, interest and other similar items that were previously referred to as 'income'. Capital is the return from holding investments other than part of the return that is revenue.

All dividends and scrip (stock) dividends on equities are recognised when the securities are quoted ex-dividend net of any attributable tax credits. Bank interest, interest on investments and other receivables are accrued up to the accounting date.

Accumulation of revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

Revenue from debt securities is accounted for on an effective interest basis.

Underwriting commission is taken to revenue and recognised when the issue takes place, unless the Funds are required to take up all or some of the underwritten shares. In this case the commission is used to reduce the cost of those shares.

Special dividends are treated as revenue or capital depending on the facts of each particular case.

Stocklending revenue is accounted for on an accruals basis. Fees earned from stock lending are included in revenue on a gross basis.

Where derivatives are used to protect or enhance revenue, any gains or losses are treated as revenue of the Fund. Where derivatives are used to protect or enhance capital, depending on the motives and circumstances, any gains or losses are treated as capital property of the Funds.

e) Expenses
Expenses are accounted for on an accruals basis.

f) Taxation
Provision is made for corporation tax at current rates on the excess of taxable revenue over allowable expenses.

g) Deferred taxation
Where applicable, a provision is made on all material timing differences between the recognition of revenue in the financial statements and its recognition in the Funds' annual tax returns. Deferred tax liabilities are recognised to the extent that it is possible that an actual liability will crystallise and deferred tax assets are recognised where it is more than likely that an asset is recoverable.

No deferred tax assets have been recognised as there is uncertainty over future net revenues to utilise such assets.

2. Distribution policies
a) Basis of distribution
If at the end of the distribution period, revenue exceeds expense borne by revenue for distribution purposes, the net revenue after taxation of that Fund is available to be distributed to its shareholders. In order to conduct a controlled dividend flow to shareholders, interim distributions will be at the ACD's discretion, up to a maximum of the distributable revenue available for the period. At the end of the year, all remaining net revenue is distributed.

Emerging Markets Local Currency Debt Fund will distribute revenue on a quarterly basis.

Global Dynamic Fund, Global Equity Fund, Global Gold Fund and UK Sustainable Fund will distribute annually by reference to net revenue arising during the year ended 28 February 2019.

Any deficit of revenue after taxation will reduce the capital of the Fund.

Distributions on accumulation shares are retained by the Fund and increase the value of the accumulation shares.

b) Apportionment to multiple share classes
The allocation of revenue and non class specific expenses is based upon the proportion of the Funds' assets attributable to each share class, on the day the revenue is earned or expense is suffered.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

2. Distribution policies (continued)
c) Stock dividends
Ordinary scrip dividends are treated as revenue and will form part of any distribution. A transfer is made from capital to revenue to compensate for the amount of revenue foregone. In the case of enhanced scrip dividends, any enhancement is taken to capital.

d) Interest from debt securities
As noted in note 1d above, revenue from fixed interest securities is accounted for on an effective interest basis, where applicable, UK interest distributions are also based on an effective interest basis.

e) Expenses
Management expenses including the General Administration Charge (GAC) and custody are charged against revenue unless otherwise stated in the Investec Funds Series Omnibus prospectus 'The Prospectus'. The only exception are the Income-2 ('Inc-2' share classes), where expenses are borne by capital for distribution. Details of expenses borne by capital can be found in the 'Distributions' note.

f) Equalisation
Equalisation takes account of the distributable revenue in the share price that is received on the creation of shares and paid on cancellation of shares and is allocated to the distribution account to equalise the distribution payable to Shareholders.

g) Aggregate distribution
The aggregate distribution for the company is based on the individual funds' net revenue after taxation. Where there is a significant difference between net revenue after taxation and the amounts available for distribution, a reconciliation has been provided.

3. Risk management policies
Any investment in stock market funds involves risk. Some of these risks are general, which means that they apply to all funds. Others are specific, which means that they apply to individual funds only.

We monitor our Funds' portfolios against certain parameters, seeking to ensure that they meet an acceptable risk: reward profile.

Risk management process
The stock selection and asset allocation of the portfolios are reviewed at periodic fund review meetings. Consideration is given to whether the risk associated with the exposure to particular investment categories or stocks is prudent in the context of the investment objective. The Investment Manager has responsibility for monitoring the existing portfolios in accordance with an overall investment category deviation parameter and seeks to ensure that the portfolios as a whole meet an acceptable risk: reward profile. Monthly market risk reviews are conducted on core funds, investigating levels and trends in risk exposures and the overall diversity of risk contributors. For certain forms of derivative intensive funds, daily predicted Value at Risk levels are also monitored.

General Risks
Risks associated with investments
Accounting
Accounting, auditing and financial reporting standards, practices and disclosure requirements vary between countries and can change and this can be a source of uncertainty in the true value of investments and can lead to a loss of capital or income.

Active management
The Investment Manager has discretion to purchase and sell assets of the Funds in accordance with each Fund's investment policy which is further described in Appendix I of the Prospectus. It may be as a consequence of the Investment Manager actively electing to deviate from the constituents of any related market index that a Fund may not participate in the general upward move as measured by that market's index and that a Fund's value may decline even while any related index is rising.

Efficient portfolio management
Efficient Portfolio Management may be used by the Funds to reduce risk, reduce costs or for the generation of additional capital or income in the Funds at an acceptably low level of risk.

The Funds may use derivatives repo contracts, and stock lending for Efficient Portfolio Management.

It is not intended that using derivatives for Efficient Portfolio Management will increase the volatility of the Funds. In adverse situations, however, a Fund's use of derivatives may become ineffective in hedging or Efficient Portfolio Management and a Fund may suffer significant loss as a result.

A Fund's ability to use Efficient Portfolio Management techniques may be limited by market conditions, regulatory limits and tax considerations. Any income or capital generated by Efficient Portfolio Management techniques will be paid to the Funds.

The Investment Manager may use one or more separate counterparties to undertake transactions on behalf of these Funds. A Fund may be required to pledge or transfer collateral from its assets to secure the exposure of such contracts entered into for Efficient Portfolio Management. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements with regards the provision and/or return of collateral and any other payments due to the relevant Fund. The ACD measures the creditworthiness of counterparties as part of the risk management process.

A counterparty may be an associate of the ACD or the Investment Manager which may give rise to a conflict of interest. For further details on the ACD's conflicts of interest policy please contact the ACD.

Exchange rate fluctuation
Currency fluctuations may adversely affect the value of a Fund's investments and the income thereon. Currency fluctuations may also adversely affect the profitability of an underlying company in which a Fund invests.

Income yield
The level of any yield arising from interest and/or dividend payments, and other such sources of income, for a Fund may be subject to fluctuations and is not guaranteed. Therefore the related distribution amount paid, or deemed to be paid, from any Fund's Share Classes may also fluctuate over time and is not guaranteed.

Inflation & deflation
Inflation erodes the real value of all investments and changes in the anticipated rate of inflation could lead to capital losses in a Fund's investments.

Deflation risk is the risk that prices throughout an economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)
Initial public offerings (IPO) & placement
When a Fund subscribes for an IPO or a placing there is a (potentially lengthy) period between the Fund submitting its application and finding out whether the application has been successful. If the Fund is not allocated the full amount subscribed for due to oversubscription or the security is listed at lower than the issue price (in respect of an IPO only), this may result in a sudden change in the Fund's price. There is also the opportunity cost of having cash committed to the subscription (and therefore out of the market), and not receiving the full allocation.

Political & regulatory
Expropriation by the state, social or political instability, or other restrictions on the freedom of a Fund to deal in its investments, may all lead to investment losses. It should also be noted that there may be occasions when a government imposes restrictions on a company's operations and / or the free movement of cash.

The regulatory environment is evolving and changes therein may adversely affect the ability of a Fund to pursue its investment strategies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or regulatory authorities which may adversely affect the value of the investments held by a Fund. The effect of any future regulatory or tax change on the Funds is impossible to predict. The regulatory environment within which the Funds operate may be different to the regulatory requirements of the investors' home countries.

Brexit risk
To ensure Investec Asset Management (IAM) is adequately prepared for different post-Brexit scenarios, a dedicated Brexit programme has been formed to analyse any potential Brexit impacts and assumptions for what the post-Brexit landscape might look like, with the aim of readying IAM accordingly. We have engaged with our key third party service providers that may be affected by a hard-Brexit. Our engagement has provided comfort that they are well placed to continue to offer the same service and products that have been provided prior to Brexit. We are in close contact with all in-scope execution counterparties around their plans to ensure uninterrupted market access for IAM on behalf of all of our clients in any Brexit scenario. At this stage no material risks have been identified so we are happy that we will be able to continue with our best execution process for all of our clients. Our priority is managing any potential impacts on our clients' investments. Brexit involves a significant amount of uncertainty and financial markets are likely to continue greeting this uncertainty with volatility. Our portfolio managers are continuing to evaluate the developments and any potential impact on the prospects of the investments in their portfolios.

The Company may lose it's EU UCITS status as a result of Brexit but this will not impede the IAM's ability to continue servicing the Company or affect the Company's ability to continue as a going concern.

Risks associated with share classes
Base currency hedged share classes
For the base currency Hedged Share Classes, the ACD will implement a currency hedging strategy to limit exposure to the currency position of the relevant Fund's Base Currency relative to the currency denomination of the relevant base currency hedged Share Class ("BCHSC Currency"). However, there can be no assurance that the strategy implemented by the ACD will be successful.

The currency hedging transactions will be entered into regardless of whether the Base Currency is declining or increasing in value relative to the BCHSC Currency. Consequently, while such hedging will largely protect investors against a decline in the value of the relevant Base Currency relative to the BCHSC Currency, it will also mean that investors will not benefit from an increase in the value of that Base Currency relative to the BCHSC Currency.

Due to the impossibility of forecasting future market values the currency hedging will not be perfect and the returns of the base currency hedged Share Class, measured in the BCHSC Currency, will not be exactly the same as the returns of an equivalent Share Class denominated in and measured in the relevant Base Currency.

Shareholders should also note that liabilities arising from a Hedged Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

Charges to capital
Where the income generated by a Fund's investments is not sufficient to offset the charges and expenses of the Fund they may instead be deducted from the capital of the Fund. This will constrain the rate of capital growth.

For the Inc-2 Share Classes, all expenses attributable to that Share Class will be charged against the capital account of that Share Class. This has the effect of increasing the Share Class' distributions (which may be taxable) whilst reducing its capital to an equivalent extent. This could constrain future capital and income growth.

Currency denomination
The Currency Denomination of a Share Class in a Fund may not necessarily be an indicator of the currency risk to which its Shareholders are exposed. Currency risk derives from the currency exposures of the underlying assets of a Fund, while the currency denomination of a Share Class only indicates the currency in which the Net Asset Value of that Share Class is valued in.

It is also particularly important to be aware of the difference between a Share Class that is denominated in a given currency and a Share Class that is hedged into that currency. For a full overview of the different Share Classes available please refer to Section "3" of the Prospectus.

Distribution from capital
Inc-2 Shares may make distributions from capital as well as from net realised and unrealised capital gains before deduction of fees and expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital and the potential for long-term capital and income growth. In addition, this distribution policy may have tax implications for your investment in such Income Shares. If in doubt, please consult your tax adviser.

Initial charges
Where an Initial Charge is made, investors who sell their Shares may not, even in the absence of a fall in the value of the Shares, recover the total amount originally subscribed.

Transactional risks arising from the hedged share classes
There is a risk that where a Fund has Share Classes that operate a hedge as well as Share Classes that do not, the returns of the latter may be affected, positively or negatively, by inaccuracies and imperfections in the operation of the hedge. This risk arises because Share Classes are not separate legal entities. Hedged Share Classes and un-hedged Share Classes of the same Fund participate in the same pool of assets and/or liabilities of the same Fund.

Shareholders should also note that assets and/or liabilities arising from one Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

Portfolio currency hedged share class
Due to the impossibility of forecasting future market values and the primary currency exposures in the relevant Fund's portfolio, portfolio currency hedging will never be perfect and the returns of PCHSC may be impacted by exchange rate movements.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)
Currency hedging transactions will be entered into regardless of whether the primary currency exposures are declining or increasing in value relative to the currency denomination of the PCHSC. Consequently, while such hedging will largely protect investors against a decline in the value of the relevant the primary currency exposures relative to the currency denomination of the PCHSC, it will also mean that investors will not benefit from an increase in the value of those primary currency exposures relative to the currency denomination of the PCHSC.

Shareholders should also note that liabilities arising from a hedged Share Class in a Fund may affect the Net Asset Value of the other Share Classes in that Fund.

By virtue of the hedging techniques used, the performance of any PCHSC will diverge from the performance of the equivalent Share Class that does not make use of these hedging strategies.

Please see Section 2.2.2 of the Prospectus for further details on the types of hedging transactions implemented by the ACD and the risks associated with the PCHSCs.

Risks associated with shareholder dealing and portfolio transactions
Cancellation
If you exercise any cancellation rights you may have, you may not get back the full amount of your investment.

Conflicts of interest
In relation to an investment in a Fund, it should be noted that the ACD, the Investment Manager and other companies within the Investec Group may, from time to time, act as ACD, management company, investment manager or adviser to other funds, Funds or other client mandates which are competitors to the Fund in question because they follow similar investment objectives to that Fund. It is therefore possible that the ACD and the Investment Manager may in the course of their business dealings have potential conflicts of interest with the Fund. Each of the ACD and the Investment Manager will, however, have regard in such event to their regulatory and contractual obligations and to their overall duty to act in a commercially reasonable manner to act in the best interests of all customers and to treat all customers fairly when undertaking any investment business where potential conflicts of interest may arise.

Counterparty – trading
A Fund may enter into transactions with counterparties, thereby exposing it to the counterparties' credit worthiness and their ability to perform and fulfil their financial obligations (including the timely settlement of trades). This risk may arise at any time a Fund's assets are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements.

In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of securities or, as the case may be, sale proceeds. In this situation, the receipt of securities or sale proceeds by a Fund is dependent on the counterparty fulfilling its own delivery obligation.

When entering derivatives transactions and making use of Efficient Portfolio Management techniques, a Fund may be adversely impacted by conflicts of interest arising from the relationship of the counterparties to the relevant investment manager or another member of the relevant Investment Manager's group of companies.

Dilution
In certain circumstances a dilution may be made on the purchase or sale of Shares (see paragraph "Dilution" in the Prospectus). In the case of purchases this will reduce the number of Shares acquired, in the case of sales this will reduce the proceeds. Where a dilution adjustment is not made, existing investors in the Fund in question may suffer dilution which will constrain capital growth.

Liquidity risk – fund investments
A Fund may invest in certain securities that subsequently become difficult to sell because of reduced liquidity. This would have an adverse impact on the market price or the ability to realise the asset. Reduced liquidity for such securities may be driven by a specific economic or market event, such as the deterioration in the creditworthiness of an issuer.

Risk of deferred redemptions
In the case of individual or collective redemptions and/or switches which are in aggregate 10% or more of the net asset value of a Fund on a Dealing Day, the ACD may decide without Shareholder approval to defer redemptions to the Valuation Point on the next Dealing Day (see section 3.11 of the Prospectus). Subject to sufficient liquidity being raised at the next Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

Risk of market closure
Certain markets in which a Fund invests may not open every Dealing Day. The consequence is that the prices at which the Shares may be bought or sold will be based on prices for the underlying investments that are out of date to a greater or lesser extent. This will cause the returns of the Fund to be affected if purchases or sales of Shares are followed immediately by increases or decreases in the prices of the underlying investments. Causes of market closures can be either from differences in normal market trading days, national or localised public holidays or from non-standard market closures imposed as emergency measures.

Risk of remittance restrictions
In some countries, the proceeds from the sale of a security, or dividends or other income, which is due to foreign investors, may not be payable, in full or in part, due to governmental or other restrictions. Any such restrictions will reduce the profit potential of a Fund and may lead to losses. Other such risks may include the introduction of unexpected taxation rules. In some circumstances, governmental or regulatory controls may be imposed affecting the efficient movement of capital (e.g. exchange limitations or currency movements/repatriation).

Risk of suspension
In certain circumstances, Shareholders' right to redeem, switch or convert sell Shares (including a sale by way of conversion) may be suspended (see section 6.7 of the Prospectus). This will mean that on a temporary basis Shareholders will not have access to their money.

Risks associated with fund operations
Central securities depositaries
For the purposes of the UCITS Directive, entrusting the custody of the Company's assets to the operator of a securities settlement system ("SSS") is currently not considered as a delegation by the Depositary and the Depositary would therefore be exempted from its obligation to return an asset lost by an SSS.

Custody
Each Fund's assets are safe kept by the Depositary or its sub-custodians (which may not be part of the same group of companies as the Depositary) and Shareholders in a Fund are exposed to the risk of the Depositary its sub-custodian not being able to fully meet its obligation to return in a short time frame all of the assets held at the Depositary or a sub-custodian in the case of its insolvency. Securities of a Fund will normally be identified in the Depositary's or sub-custodian's books as belonging to the Fund and will be segregated from the Depositary or the sub-custodian's assets. This provides protection for the Fund's assets in the event of the insolvency of either the Depositary or its sub-custodian, but does not exclude the risk that the assets will not be returned promptly in the event of insolvency.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)
A Fund's assets may also be pooled with the securities of other clients of the Depositary or sub-custodian. In this circumstance, if there were problems with the settlement or custody of any security in the pool then, subject to the requirements of COLL, the loss would be spread across all clients in the pool and would not be restricted to the client whose securities were subject to loss.

In addition, a Fund may be required to place assets outside of the Depositary and the sub-custodian's safekeeping network in order for the Fund to trade in certain markets. In such circumstances the Depositary remains responsible for the proper selection and supervision of the persons safekeeping such assets in the relevant markets. In such markets, Shareholders should note that there may be delays in settlement and/or uncertainty in relation to the ownership of a Fund's investments which could affect the Fund's liquidity and which could lead to investment losses.

The Depositary is liable to a Fund for the loss of an asset held in custody by the Depositary and its sub-custodians. However, the Depositary may have no liability for the loss of an asset where the Depositary can prove that the loss is due to an event beyond it reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary by the Depositary.

A Fund's cash held on deposit with a Depositary or its sub-custodian is not segregated from the assets of the Depositary or its sub-custodian and is held at the risk of the Fund.

Economically viable
If a Fund does not reach a sustainable size, this will constrain the Investment Manager from implementing all of the investment decisions that it would like to for the Fund and/or the effect of charges and expenses may be higher than anticipated and the value of the investment consequently reduced. Also, in accordance with the relevant Instrument of Incorporation, a Fund may be liquidated if it does not reach assumed sustainable size and is no longer viable to operate.

Fair value pricing
Fair value pricing adjustments may be made to the price of an underlying asset of a Fund, at the absolute discretion of the Board of Directors, to reflect predicted changes in the last available price between the market close and the Valuation Point. There is, however, a risk that this predicted price is not consistent with the subsequent opening price of that security.

Fraud
A Fund's assets may be subject to fraud. This includes but is not limited to fraudulent acts at the sub-custodian level such that the sub-custodian does not maintain books and records that reflect the beneficial ownership of the Fund to its assets. Fraud may also arise with regards to counterparty default and/or fraudulent acts of other third parties.

Fund legal action
There is no certainty that any legal action taken by a Fund against its service providers, agents, counterparties or other third parties will be successful and Shareholders may not receive compensation in full or at all for any losses incurred. Recourse through the legal system can be lengthy, costly and protracted. Depending on the circumstances, a Fund may decide not to take legal action and/or the Fund may decide to enter into settlement negotiations which may or may not be successful.

Liabilities of each company and the funds
As explained in paragraph 2.2.1 of the Prospectus where, under the OEIC Regulations, each Fund within a Company is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds in the same Company, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund in the same Company in every circumstance. However, for the avoidance of doubt there is no liability between Funds in different Companies.

Liquidity risk – shareholder activity
Subscriptions, conversions or redemptions of Shares in a Fund may have an impact on the other Shareholders of that Fund, which is commonly known as dilution or concentration.

To match subscriptions, conversions and redemptions of Shares from a Fund, assets may be bought or sold and such transactions may incur costs that the Fund must meet. Where a Fund is forced to buy or sell a significant volume of assets relative to the liquidity normally available in the market, it may affect the price at which those assets are bought or sold (and this may be different from the price at which they are valued), therefore having a dilutive or concentrative impact for the other Shareholders. In addition, the weighting of different holdings within the Fund may change, therefore altering the construction and composition of the Fund. The impact will vary to a lesser or greater extent depending on the volume of transactions, the purchase and sale price of the assets and valuation method used to calculate net asset value of the Fund.

The ACD may at its discretion, but always acting in the best interests of Shareholders, in times of severe illiquidity, utilise liquidity management tools including, without limitation, the power to defer redemptions and suspend dealing in the Shares of a Fund.

Securities lending
Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a Fund engaged in securities lending transactions may lose money and there may be a delay in recovering the lent securities. A Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of assets purchased with re-invested cash collateral.

A Fund's portfolio exposure to market risk will not change by engaging in securities lending. However, securities lending carries the specific market risk of the counterparty defaulting. To mitigate this risk, the Fund will receive collateral relating to its securities lending transactions in accordance with the ESMA Guidelines 2012/832. This collateral shall take any of the forms described under the ESMA Guidelines 2012/832.

In the event of default by the counterparty to a securities lending transaction, the collateral provided will need to be sold and the lent securities repurchased at the prevailing price, which may lead to a loss in value for the relevant Fund. There can therefore be no assurance that the relevant Fund's investment objectives will be achieved.

Securities lending also carries operational risks such as the non-settlement of instructions associated with securities lending. Such operational risks are managed by means of procedures, controls and systems implemented by the securities lending agent and the Fund.

When engaging in securities lending, a Fund may be adversely impacted by conflicts of interest arising from the relationship of the counterparties to such transactions with the relevant investment manager or another member of the relevant investment manager's group of companies.

Tax
Tax laws may change without notice and may impose taxes on a retrospective basis. Taxes may be deducted at source without notice to a Fund and/or the Investment Manager. Tax charged may vary between Shareholders.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)
Third-party operational (including counterparty – service providers)
Each Fund's operations depend on third parties, either for the purpose of segregating duties, or due to delegation/outsourcing of functions by the Investment Manager. Investors in a Fund may suffer disruption or financial loss in the event of third-party operational failure.

Specific Risks
Risks associated with debt investments
Contingent convertibles or CoCos
A Fund may invest in contingent convertibles (CoCos). CoCos are Tier 1 and Tier 2 subordinated debt securities issued by financial institutions. CoCos generally contain loss absorption mechanisms, or 'bail-in' clauses, to avoid public sector intervention to keep the issuer of such securities from insolvency or bankruptcy. Investors in CoCos may suffer losses prior to investors in the same financial institution holding equities or bonds ranking alongside or junior to the CoCo bond holders. CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks. Additionally, Shareholders should be aware that the structure of CoCos is yet to be tested and there is some uncertainty as to how they may perform in a stressed environment. Depending on how the market views certain triggering events, there is the potential for price contagion and volatility across the asset class.

Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

Credit
Where the value of an investment depends on a party (which could be a company, government or other institution) fulfilling an obligation to pay, there exists a risk that that obligation will not be satisfied. This risk is greater the weaker the financial strength of the party. The Net Asset Value of a Fund could be affected by any actual or feared breach of the party's obligations, while the income of the Fund would be affected only by an actual failure to pay, which is known as a default.

Distressed debt
A Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which a Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate a Fund adequately for the risks assumed.

Investing in distressed debt can also impose duties on the Investment Manager which may conflict with duties which it owes to a Fund. A specific example of where the Investment Manager may have a conflict of interest is where it invests the assets of a Fund in a company in serious financial distress and where that investment leads to the Investment Manager investing further amounts of the Fund's assets in the company or taking an active role in managing or advising the company, or one of the Investment Manager's employees becomes a director or other officer of the company. In such cases, the Investment Manager or its employee may have duties to the company and/or its members and creditors which may conflict with, or not correlate with, the interests of the Shareholders of that Fund. In such cases, the Investment Manager may also have discretion to exercise any rights attaching to the Fund's investments in such a company. The Investment Manager will take such steps as it considers necessary to resolve such potential conflicts of interest fairly.

High yield debt securities
High yield debt securities, that is those that are rated BB+ by Standard & Poor's or Ba1 by Moody's or lower, or are unrated, are subject to greater risk of loss of income and principal due to default by the issuer than are higher-rated debt securities. It may also be more difficult to dispose of, or to determine the value of, high yield debt securities.

High yield debt securities rated BB+ or Ba1 or lower are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions".

Interest rate
The earnings or market value of a Fund may be affected by changes in interest rates. This risk can be particularly relevant for Funds holding fixed-rate debt securities (such as bonds), since their values may fall if interest rates rise. Furthermore, Funds holding fixed-rate debt securities with a long time until maturity may be more sensitive to changes in interest rates than shorter-dated debt securities, for example a small rise in long-term interest rates may result in a more than proportionate fall in the price of a long-dated debt security.

Investment grade
The price of securities involved in initial public offerings are often subject to greater and more unpredictable price changes than more established securities.

Money market instrument
Money market instruments in which a Fund invests are subject to the solvency of the underlying issuer. The buying and selling of money market instruments is exposed to liquidity constraints in the market.

While every effort will be made to maintain the capital value of the Fund, there is no guarantee that this will be the case as a loss made on an instrument held by the Fund could reduce the capital value of the Fund.

Mortgage backed and other asset backed securities
Mortgage backed
A mortgage-backed security is a generic term for a debt security backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. This type of security is commonly used to redirect the interest and principal payments from the pool of mortgages to investors. A mortgage-backed security is normally issued in a number of different classes with varying characteristics depending on the riskiness of the underlying mortgages assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate of securities. The higher the risk contained in the class, the more the mortgage-backed security pays by way of income.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)

Asset backed

Traditional debt securities typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on asset-backed securities (ABS) typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or forced repayment. A Fund may have to invest the proceeds from prepaid investments under less attractive terms and yields. Compared to other debt, ABS are less likely to increase in value during periods of declining interest rates and have a higher risk of decline in value during periods of rising interest rates and they can increase the volatility of a Fund. Some ABS receive only portions of payments of either interest or principal of the underlying debt. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying mortgages. The market for these investments may be volatile and illiquid, which may make it difficult to buy or sell them, and the secondary market may be smaller than that for more traditional debt securities.

CDOs/CLOs

Collateralised Debt Obligations (CDOs) represent a participation in, or are secured by, a pool of fixed or floating rate debt obligations. CDOs are issued in separate classes with different stated maturities that may have different credit and investment profiles. As the debt pool experiences prepayments, the pool pays off investors in classes with shorter maturities first. Prepayments may cause the actual maturity of a CDO to be substantially shorter than its stated maturity. Conversely, slower than anticipated prepayments can extend the effective maturities of CDOs, subjecting them to a greater risk of decline in market value in response to rising interest rates than traditional debt securities, and, therefore, potentially increasing their volatility. CDOs and other instruments with complex or highly variable prepayment terms generally entail greater market, prepayment and liquidity risks than other asset backed securities (ABS). CDOs are generally subject to each of the risks discussed under asset-backed (ABS) securities.

Risks associated with derivative instruments

Cash flow

A Fund may have insufficient cash to meet the margin calls necessary to sustain its position in a derivatives contract. This may result in the Fund having to close a position (or sell other securities to raise the cash) at a time and / or on terms that it may otherwise not have done. This could lead to capital losses for the Fund.

Credit default swaps and other synthetic securities

A portion of a Fund's investments may consist of credit default swaps and other synthetic securities the reference obligations of which may be leveraged loans, high-yield debt securities or similar securities. Investments in such types of assets through the purchase of credit default swaps and other synthetic securities present risks in addition to those resulting from direct purchases of such investments. With respect to each synthetic security, a Fund will usually have a contractual relationship only with the counterparty of such synthetic security, and not the reference obligor on the reference obligation. A Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, may be subject to set-off rights exercised by the reference obligor against the counterparty or another person or entity, and generally will not have any voting or other contractual rights of ownership with respect to the reference obligation. In addition, a Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, a Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the reference obligation. Consequently, a Fund will be subject to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations of synthetic securities entered into with any one counterparty will subject a Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor.

Additionally, while the Investment Manager expects that the returns on a synthetic security will generally reflect those of the related reference obligation, as a result of the terms of the synthetic security and the assumption of the credit risk of the synthetic security counterparty, a synthetic security may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default. Additionally, when compared to the reference obligation, the terms of a synthetic security may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or non-credit related characteristics. Upon maturity, default, acceleration or any other termination (including a put or call) other than pursuant to a credit event (as defined therein) of the synthetic security, the terms of the synthetic security may permit or require the issuer of such synthetic security to satisfy its obligations under the synthetic security by delivering to the relevant Fund securities other than the reference obligation or an amount different than the then current market value of the reference obligation.

Derivative basis

The value of a derivative typically depends on the value of an underlying asset. The value of the derivative may not be 100% correlated with the value of the underlying asset and therefore a change in the value of the asset may not be matched by a proportionate corresponding change in the value of the derivative.

Derivatives

The use of derivatives may lead to large changes in the value of a Fund and includes the potential for large financial loss.

Exchange derivatives

Futures contracts may have restricted liquidity due to certain exchanges limiting fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". These prevent trades from being executed at prices beyond the daily limits during a single trading day. Also, once the price of a contract for a futures contract has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit.

Leverage

Where a Fund uses derivatives to create aggregate exposure that is greater than its net assets, this may lead to potentially large financial loss. This also creates the effect that the Fund will have greater exposure to certain risks that are associated with the use of derivatives (e.g. Counterparty Risk – Trading, OTC Derivatives Risk and market risk).

OTC derivative instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions.

OTC derivatives expose a Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not that dispute is valid) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Investors should also refer to the risk factor Counterparty Risk – Trading.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the relevant Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell (in the case of non-cash collateral), so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to the relevant Fund.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)

The Funds may enter into OTC derivatives cleared through a clearing house that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate the risk completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the relevant Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the relevant Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus.

It is as yet unclear how the over-the-counter financial derivative instruments market will adapt to the new regulatory regime. The collateral, reporting and clearing requirements under EMIR, compliance with rules, regulations promulgated and other legislation in other jurisdictions may increase costs to the Funds and may impact performance. The full impact that such legislation will ultimately have on the Funds and the markets in which they trade and invest is not fully known. Such uncertainty may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies. Any changes to current regulations or any new regulations applicable to the Funds could have a materially adverse effect on the Funds.

Short exposure

Where a Fund uses derivatives to create short exposure there is potential for gains to be made when the underlying securities are falling in value, but a loss could be incurred when the underlying security is rising in value. This means the Fund's performance will be less closely related to the performance of the type of assets in which it will ordinarily invest.

Risks associated with emerging market investments

China Interbank Bond Market

The China Interbank Bond Market ("CIBM") is an OTC market (i.e. trades are conducted directly between the buyer and the seller and not on an exchange) that operates outside of the two main stock exchanges in China. On the CIBM, institutional investors trade sovereign, government and corporate bonds.

The main debt instruments traded on the CIBM include government bonds, bond repo, bond lending, People's Bank of China ("PBOC") bills, and other financial debt instruments.

The CIBM is regulated and supervised by the PBOC. The PBOC is responsible for, among other things, establishing listing, trading, functioning rules applying to the CIBM and supervising the market operators of the CIBM.

Counterparty and liquidity risk are particularly relevant to trading on the CIBM.

Settlement risk

There are various transaction settlement methods in the CIBM, which involve varying degrees of risk. Although the Investment Manager may be able to negotiate terms which are favourable to the Funds (e.g. requiring simultaneous delivery of security and payment), there is no assurance that settlement risks can be eliminated. Where the counterparty does not perform its obligations under a transaction, the Funds will sustain losses.

Risks in relation to RMB fixed income securities using the CIBM Direct Access

The CIBM Direct Access is the PRC investment program revised in 2016 under which certain foreign institutional investors such as the Funds may invest, without particular license or quota, directly in RMB fixed income securities dealt on the CIBM via an onshore bond settlement agent (the "Bond Settlement Agent").

CIBM Direct Access rules and regulations

Participation in the CIBM Direct Access by foreign institutional investors (such as the Funds) is governed by rules and regulations set by the Mainland Chinese authorities, i.e. the PBOC and the State Administration of Foreign Exchange in China. Such rules and regulations may be amended from time to time (with retrospective effect).

The CIBM Direct Access rules and regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. In addition, there can be no assurance that the CIBM Direct Access rules and regulations will not be abolished in the future. Funds, which invest in the PRC markets through the CIBM Direct Access, may be adversely affected as a result of any such changes or abolition.

Restrictions to remittances and repatriations risk

Certain restrictions may be imposed by the PRC authorities on investors participating in the CIBM Direct Access and/or the Bond Settlement Agent which may have an adverse effect on the Funds' liquidity and performance. Repatriations (moving cash offshore from Mainland China) conducted in RMB are currently permitted daily and are not subject to repatriation restrictions (such as lock-up periods) or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. It should also be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control should such restrictions be imposed.

Securities and cash accounts

Onshore PRC securities are registered in accordance with the relevant rules and regulations and maintained by the Bond Settlement Agent. Onshore cash will be maintained on a cash account with the Bond Settlement Agent.

Beneficial ownership of RMB securities should be acquired by a Fund through CIBM Direct Access. However, beneficial ownership is an untested concept in the PRC.

Investors should note that cash deposited in the cash account of the Funds with the Bond Settlement Agent will not be segregated but will be a debt owing from the Bond Settlement Agent to the Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Bond Settlement Agent. In the event of bankruptcy or liquidation of the Bond Settlement Agent, the Funds will not have any proprietary rights to the cash deposited in such cash account, and the Funds will become unsecured creditors, ranking on equal footing with all other unsecured creditors, of the Bond Settlement Agent. The Funds may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Funds will suffer losses.

Bond settlement agent risk

There is a risk that the Funds may suffer losses, whether direct or consequential, from the acts or omissions in the settlement of any transaction or in the transfer of funds or securities, default, bankruptcy or disqualification of the Bond Settlement Agent.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)
Such acts, omissions, default or disqualification may also adversely affect the Funds in implementing their investment strategies or disrupt the operations of the Funds, including causing delays in the settlement of any transaction.

In addition, the PBOC is vested with the power to impose regulatory sanctions if the Bond Settlement Agent violates any provision of the CIBM Direct Access rules. Such sanctions may adversely impact on the investment by the Funds through the CIBM Direct Access.

China tax
In common with other Funds, income and gains derived from China may be subject to withholding tax and VAT and relevant surcharges on the VAT. The interpretation and applicability of existing Chinese tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in China may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the Funds' investments. The Chinese government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-tax profit of Chinese companies and foreign investors in such companies, such as the Funds. There can be no guarantee that future tax laws, regulations, and practice in China will not adversely impact the tax exposure of the Funds and/or their Shareholders.

The ACD considers that the Funds should be regarded as a UK tax resident and should be able to enjoy a tax exemption on capital gains under the UK-China double tax treaty, although there is no guarantee that the Chinese tax authorities will provide tax treaty relief.

In light of the legal and regulatory uncertainties in China, the Funds reserve the right to make any provision for taxes or to deduct or to withhold an amount on account of taxes (which may be payable by the Funds to the Chinese tax authorities in respect of its investments in China) from assets of the Funds. The amount of provision (if any) will be disclosed in the financial statements of the Funds. In this regard, the Funds have determined that no tax provision will be made on the capital gains derived from PRC investments. Any provision for taxes made by the Funds may be more or less than the Funds' actual Chinese tax liabilities. If the Funds do not set aside enough to meet these tax obligations, then the shortfall may be debited from the Funds' assets to meet its actual Chinese tax liabilities. As a result, the income from, and/or the performance of the Funds may be reduced/adversely affected. The degree of impact on individual Shareholders may vary depending on whether or not the price they paid or received for Shares reflected any difference between the amount the Funds set aside for tax and their actual tax liabilities.

China Interbank Bond Market
The Chinese tax authorities have granted VAT exemption on the capital gains derived by qualified non PRC tax residents from the investments through the China Interbank Bond Market with effective from 1 May 2016. Except for the above, there is no specific regulation stipulating the relevant PRC tax treatment including the VAT treatment as well as the withholding tax treatment on the bond interest income and gains derived from the China Interbank Bond Market.

Emerging markets
Emerging Markets investments may be more volatile and less liquid than investments in developed markets and the investments of a Fund in such markets may be considered speculative and subject to significant delays in settlement. In addition, there may be a higher than usual risk of exchange rate, political, economic, social and religious instability and of adverse changes in government regulations. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Investment in China
Investments in China are particularly exposed to China's economic, social and political system, which may behave differently to other markets, and investments in China may be harder to assess for suitability or risk. China has enjoyed significant economic prosperity in recent years but continued growth cannot be assumed and a decline in China's economic performance may affect a Fund's investment.

Investments in China are subject to State-imposed restrictions, including the operation of trading quotas and currency management; while other State and regulatory intervention may be more unpredictable or intrusive than in other markets. China's laws and regulations relating to securities (including surrounding taxation) are new and evolving, their application is subject to uncertainty, and they may be subject to change in the future. Investments in China may be subject to greater or more frequent rises and falls in value than other markets and may be harder or impossible to buy or sell.

Accounting and auditing standards in China may also be less rigorous than their international equivalents and this could result in investments being overvalued. Investments held by Chinese brokers may be mixed with other investors' assets or subject to lower safekeeping standards than investments held domestically, which could lead to delays in payment or losses should the broker become insolvent. Chinese investments are denominated in Renminbi and its value may fluctuate widely from other international currencies

Other applicable risks:
Investors should also note the following risk factors, which may be applicable to the Funds, each of which is described in more detail in Appendix VII of the Prospectus: Accounting, Emerging Markets, Equity Investment, Exchange Rates, Market Action, Market Closure, Political, Settlement and Custody and Tax.

RQFII risk
Certain Funds (the "RQFII Funds") may invest in securities issued in Mainland China in accordance with their investment objective and policies. Other than risks involved in investments made on a worldwide basis and in emerging markets, as well as other risks of investments generally as described elsewhere in this Appendix VII which are applicable to investments in China, investors in the RQFII Funds should note the additional specific risks below.

Custody risk for investment in China:
The Investment Manager (in its capacity as an RQFII) and the Depositary have appointed HSBC China (the "RQFII Local Custodian") as custodian to maintain the RQFII Funds' assets in custody in China, pursuant to relevant laws and regulations. Chinese securities are registered in accordance with these rules and regulations, and maintained by the RQFII Local Custodian in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited and cash shall be maintained in a cash account with the RQFII Local Custodian. The Depositary will make arrangements to ensure that the RQFII Local Custodian has appropriate procedures in place to properly safe-keep the RQFII Fund's assets including maintaining records that clearly show that such RQFII Fund's assets are recorded in the name of that RQFII Fund and segregated from the other assets of the RQFII Local Custodian.

Investors should note that cash deposited in the cash account of a RQFII Fund with the RQFII Local Custodian will not be segregated but will be a debt owing from the RQFII Local Custodian to that RQFII Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the RQFII Local Custodian. In the event of bankruptcy or liquidation of the RQFII Local Custodian, a RQFII Fund will not have any proprietary rights to the cash deposited in such cash account, and that RQFII Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the RQFII Local Custodian. The RQFII Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the RQFII Fund will suffer losses.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)
RQFII regime risk:
Under current Chinese laws and regulations, the RQFII Fund's investments in the Chinese securities can only be made by or through an RQFII, within certain investment quota as approved under and subject to applicable Chinese regulatory requirements. The RQFII regime is governed by rules and regulations as promulgated by the Mainland Chinese authorities.

Neither the Companies nor the RQFII Funds are themselves RQFIIs, but they may obtain access to the Chinese domestic securities market using the Investment Manager's RQFII quota.

Investors should note that RQFII status could be suspended or revoked at any time, which may have an adverse effect on an RQFII Fund's performance as the Fund may be required to dispose of its securities holdings over a short period. In addition, certain restrictions imposed by the Chinese government on RQFIIs may have an adverse effect on an RQFII Fund's liquidity and performance.

The State Administration of Foreign Exchange in China ("SAFE") regulates and monitors the repatriation of funds out of China by an RQFII. Repatriations by RQFIIs in respect of an open-ended fund (such as the RQFII Funds) conducted in Renminbi are currently not subject to repatriation restrictions or prior approval, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the RQFII Local Custodian. There is no assurance, however, that the Chinese rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on an RQFII Fund's ability to meet redemption requests from Shareholders. Furthermore, as the RQFII Local Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the RQFII Local Custodian in case of non-compliance with the RQFII rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

RQFII quotas are generally granted to an RQFII. The rules and restrictions under the RQFII regulations generally apply to the RQFII as a whole and not simply to the investments made by an RQFII Fund. It is provided in the RQFII Measures that the size of the quota may be reduced or cancelled by the SAFE if the RQFII is unable to use its RQFII quota effectively within one year following the quota being granted. If the SAFE reduces the RQFII's quota, it may affect the Investment Manager's ability to effectively pursue the investment strategy of an RQFII Fund. The SAFE may impose regulatory sanctions if the RQFII or the RQFII Local Custodian violates any provision of the RQFII Measures. Any violations could result in the revocation of the RQFII's quota or other regulatory sanctions and may adversely impact on the portion of the RQFII's quota made available for investment by an RQFII Fund.

Investors should note that there can be no assurance that an RQFII will continue to maintain its RQFII status or to make available its RQFII quota, or that an RQFII Fund will be allocated a sufficient portion of RQFII quota from a RQFII to meet all applications for subscription into an RQFII Fund, or that redemption requests can be processed in a timely manner due to repatriation restrictions or adverse changes in relevant laws or regulations. Such factors may restrict the ability to process subscriptions and/or redemptions in a timely manner. In extreme circumstances, an RQFII Fund may incur significant losses due to insufficiency of RQFII quota, limited investment capabilities, or inability to fully implement or pursue its investment objective or strategy due to RQFII investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current RQFII regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the RQFII regulations will not be abolished. An RQFII Fund, which invests in the Chinese domestic securities markets, may be adversely affected as a result of such changes.

Stock Connect
To the extent that a Fund's investments in China are dealt via Hong Kong Shanghai Stock Connect or Shenzhen Stock Connect ("Stock Connect"), such dealing will be subject to additional risk factors.

Stock Connect is a relatively new trading programme, therefore the relevant rules and regulations are untested and subject to change. Since investments through Stock Connect are subject to certain restrictions (including trading day restrictions, pre-trade checking, eligibility of stock, quota limits and daily trade quotas), investments may be subject to greater or more frequent rises and falls in value and may be harder to buy or sell.

Under Stock Connect, overseas investors such as the investing Funds may invest directly in certain China A shares listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange ("Stock Connect Shares"). The Funds trade Stock Connect Shares through brokers who are Hong Kong Stock exchange participants.

Stock Connect Shares purchased through Stock Connect are uncertified and held in accounts in the Hong Kong Central Clearing and Settlement System maintained by the Hong Kong Securities and Clearing Corporation Limited ("HKSCC"), the central securities depositary in Hong Kong. HKSCC in turn holds the legal title to the Stock Connect Shares of all its participants through a nominee omnibus securities account in its name, registered with ChinaClear, the central securities depositary in China.

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Shares and/or monies in connection with them and the Funds may suffer losses as a result.

Foreign investors like the Funds investing through the Stock Connect remain beneficial owners of the Stock Connect Shares and are only eligible to exercise their rights to the Stock Connect Shares in China through the HKSCC nominee.

In the event of a default of ChinaClear, HKSCC through its nominee is likely to seek to recover any outstanding Stock Connect Shares on behalf of the Funds from ChinaClear through available legal channels but it is not obligated to do so. If HKSCC does not enforce claims against ChinaClear the Fund may not be able to recover all of its Stock Connect Shares.

Trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund.

Investors should also consider the Investment in China detailed in Appendix VII of the Prospectus which applies to investment in China.

Risks associated with equity investments
Discount/Premium
From time to time the prices of closed ended investment company shares can trade at either a premium or discount to their underlying value. This can create volatility in the price of a Fund that invests in closed ended investment company shares in excess of the volatility of the underlying markets in which the investment trust invests in and this consequently poses a greater risk to capital.

Equity investment
The value of equities and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.

Smaller companies
Smaller company shares may be less liquid and more volatile than the shares of larger companies, due to the smaller number of shares in issue and the frequently less diversified and less established nature of the business. These factors can create a greater potential for significant capital losses.

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)
Risks associated with investment strategy
Concentration
A Fund which invests in a concentrated portfolio of holdings may be more volatile than more broadly diversified funds.

Income priority
Where a Fund gives priority to income over capital growth this may constrain the rate of future capital and income growth. In addition, this distribution policy may have tax implications for your investment in the Shares. If in doubt, please consult your tax adviser.

Multi-Asset investment
Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to changes in the volatility of any of these.

Risk of higher Ongoing Charges when investing in funds
Where a Fund invests in other UCITS and/or UCIs, there may be additional costs of investing in these UCITS/UCIs which may increase the TER and/or Ongoing Charges.

Sector and/or geographical
A Fund that restricts investment to a small number of related sectors and / or geographical locations may decline even while broader based market indices are rising.

Furthermore, investments which offer exposure to commodities may include additional risks e.g. political risk, natural events or terrorism. This may influence the production and trading of commodities and the value of financial instruments offering exposure to such commodities.

Emerging Markets Local Currency Debt Fund
Investment in China
China Interbank Bond Market
China tax
CIBM Direct Access
Credit
Derivatives
Emerging Markets
Exchange Derivatives
High Yield Debt Securities
Income Priority
Interest Rate
Investment Grade
Leverage
OTC Derivative Instruments

Global Dynamic Fund
Investment in China
Derivatives
Equity Investment
Stock Connect

Global Equity Fund
Investment in China
Derivatives
Equity Investment
Stock Connect

Global Gold Fund
Contingent Convertibles or CoCos
Derivatives
Emerging Markets
Equity Investment
Sector and/or Geographical
Smaller Companies

UK Sustainable Equity Fund
Derivatives
Equity Investment
Sector and/or Geographical
Smaller Companies

Notes to the Financial Statements of the Company
continued

For the year ended 28 February 2019

3. Risk management policies (continued)
Sensitivity analysis
The table below shows the funds' beta; this is a historical measure of the funds' sensitivity to movements in well known markets. A beta of 1.0 would suggest that a fund had experienced a close relationship to the volatility of the market index against which it was being measured, rising when the market rises and falling when it falls in a one to one manner. A beta of 1.5 would suggest that a fund had experienced movements of 1.5 times the index i.e. the fund was more volatile than the market. A beta of 0.5 would suggest that a fund had experienced movements in values of half of the index's movement i.e. the fund was less volatile than the market. Broadly speaking, if a fund has a beta of 'B' to an index, it means that if the index value changes by 'X'% we could expect the fund value to change by 'B' multiplied by 'X'%. Of course, this is only an expectation, but it is a good indicator of the risk currently faced by particular funds.

2019†	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index
Emerging Markets Local Currency Debt Fund	n/a	n/a	0.49
Global Dynamic Fund	0.65	0.48	n/a
Global Equity Fund	0.64	0.46	n/a
Global Gold Fund	0.19	0.20	n/a
UK Sustainable Equity Fund	n/a	n/a	n/a

† Source: Lipper 01.03.16 – 28.02.19 using daily sub-periods for class 'I' accumulation shares for all Funds.

2018††	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index
Emerging Markets Local Currency Debt Fund	n/a	n/a	0.58
Global Dynamic Fund	0.86	0.53	n/a
Global Equity Fund	0.83	0.52	n/a
Global Gold Fund	0.21	0.13	n/a
UK Sustainable Equity Fund	n/a	n/a	n/a

†† Source: Lipper 01.03.15 – 28.02.18 using daily sub-periods for class 'I' accumulation shares for all Funds.

Past performance is not a guide to future performance.

4. Dilution adjustment
A dilution adjustment may be applied at the ACD's discretion to all purchases, sales and switches of shares where the impact of the net deals is believed to have a material effect.

A dilution adjustment or levy is a method to ensure fair treatment between investors joining, leaving or remaining in a Fund. We reserve the right to levy a dilution adjustment on any or all deals. The price of the shares of a Fund may be adjusted to protect its value from being reduced in the case of larger scale movements into or out of the Fund.

Full details on the ACD policy for dilution adjustment can be found in the Prospectus.

We hereby certify the Annual Report and Accounts on behalf of the Directors of Investec Fund Managers Limited

K. McFarland
Director of the ACD

2 May 2019

D. Aird
Director of the ACD

Emerging Markets Local Currency Debt Fund

Statement of Total Return

For the year ended 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
Income					
Net capital losses	4		(20,624)		(4,946)
Revenue	6	13,794		19,453	
Expenses	7	(2,142)		(2,650)	
Interest payable and similar charges	8	(80)		(89)	
Net revenue before taxation		11,572		16,714	
Taxation	9	(458)		(122)	
Net revenue after taxation			11,114		16,592
Total return before distributions			**(9,510)**		**11,646**
Distributions	10		(11,467)		(16,965)
Change in net assets attributable to shareholders from investment activities			**(20,977)**		**(5,319)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
Opening net assets attributable to shareholders			**233,124**		**280,497**
Amounts receivable on creation of shares		54,487		87,942	
Amounts payable on cancellation of shares		(84,464)		(143,861)	
			(29,977)		(55,919)
Dilution adjustment			28		–
Change in net assets attributable to shareholders from investment activities			(20,977)		(5,319)
Retained distributions on accumulation shares			9,151		13,854
Unclaimed distributions			–		11
Closing net assets attributable to shareholders			**191,349**		**233,124**

Notes to the financial statements are on pages 64 to 71.

Balance Sheet

As at 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
ASSETS					
Investments assets			178,364		228,902
Current assets					
Debtors	11	3,099		6,855	
Cash and bank balances	12	18,390		9,573	
Total other assets			21,489		16,428
Total assets			**199,853**		**245,330**
LIABILITIES					
Investment liabilities			3,797		8,152
Creditors					
Bank overdrafts		2,935		2,927	
Distribution payable		609		687	
Other creditors	13	1,163		440	
Total other liabilities			4,707		4,054
Total liabilities			**8,504**		**12,206**
Net assets attributable to shareholders			**191,349**		**233,124**

Notes to the financial statements are on pages 64 to 71.

Emerging Markets Local Currency Debt Fund
Notes to the Financial Statements

For the year ended 28 February 2019

1. Accounting policies
The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 51.

2. Distribution policies
The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 51-52.

3. Risk management policies
The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 52 to 62.

4. Net capital losses
The net capital losses during the year comprise:

	28.02.19 £'000	28.02.18 £'000
Gains/(losses) on foreign exchange	261	(1,730)
Derivatives contracts	(2,008)	53
Forward currency contracts	(5,163)	7,145
Non-derivative securities	(13,707)	(10,401)
Transaction charges	(7)	(13)
Net capital losses	**(20,624)**	**(4,946)**

5. Purchases, sales and transaction costs
Analysis of total trade costs

	Purchases		Sales	
	28.02.19 £'000	28.02.18 £'000	28.02.19 £'000	28.02.18 £'000
Bonds	163,832	224,107	181,008	261,601
Collective Investment Schemes	131	3,604	1,166	12,805
Swaps	104,282	172,443	108,329	176,918
Treasury Bills	28,810	27,157	36,112	10,686
Futures*	–	–	–	–
Trades excluding transaction costs	**297,055**	**427,311**	**326,615**	**462,010**
Commissions				
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	3	–	(1)
Taxes				
Bonds	–	–	–	(84)
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	–	–	–
Net trades in the year after transaction costs	**297,055**	**427,314**	**326,615**	**461,925**

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.19 %	28.02.18 %	28.02.19 %	28.02.18 %
Commissions				
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	–	–	–	–
Taxes				
Bonds	–	–	–	0.04
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Futures*	**–**	**–**	**–**	**–**

* Purchases and/or sales of futures contracts do not incur transaction costs and have been included at the value of their exposure.

5. Purchases, sales and transaction costs (continued)
Total transaction cost expressed as a percentage of average net asset value

	28.02.19 %	28.02.18 %
Commissions	–	–
Taxes	–	0.03
Total costs	**–**	**0.03**

Average portfolio dealing spread
The average portfolio dealing spread at the balance sheet date was 0.33% (28.02.18: 0.37%).

6. Revenue

	28.02.19 £'000	28.02.18 £'000
Bank interest	373	231
Interest on debt securities	12,289	17,385
Interest distributions from collective investment schemes	–	46
Interest on total return swaps	871	1,340
Offshore distribution taxable from collective investment schemes	261	451
Total revenue	**13,794**	**19,453**

7. Expenses

	28.02.19 £'000	28.02.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	1,817	2,289
General administration charge (GAC)	147	205
	1,964	2,494
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	175	154
	175	154
Other expenses:		
VAT refund	(10)	(10)
SEBI fees	2	–
Collateral interest fee	11	12
	3	2
Total expenses	**2,142**	**2,650**

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £12,000 (28.02.18: £12,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Interest payable and similar charges

	28.02.19 £'000	28.02.18 £'000
Interest	66	66
Margin Interest	14	23
Total interest payable and similar charges	**80**	**89**

9. Taxation
(a) Analysis of the tax charge in the year:

	28.02.19 £'000	28.02.18 £'000
Irrecoverable income tax	136	122
Capital Gains Tax on Treasury Bills	322	–
Current tax charge	**458**	**122**
Deferred tax charge (note(9(c))	–	–
Total tax charge (note 9(b))	**458**	**122**

Emerging Markets Local Currency Debt Fund Notes to the Financial Statements continued

For the year ended 28 February 2019

9. Taxation (continued)

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.18: 20%). The differences are explained below:

	28.02.19 £'000	28.02.18 £'000
Net revenue before taxation	11,572	16,714
Corporation tax of 20%	2,314	3,343
Effects of:		
Tax deductible interest distributions	(2,314)	(3,343)
Irrecoverable income tax	136	122
Capital Gains Tax on Treasury Bills	322	–
Total tax charge (note 9(a))	**458**	**122**

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

10. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	28.02.19 £'000	28.02.18 £'000
First quarter	3,426	4,123
Second quarter	2,976	4,477
Third quarter	2,560	3,926
Final	2,461	3,880
	11,423	16,406
Add: Equalisation deducted on cancellation of shares	408	1,215
Less: Equalisation received on creation of shares	(364)	(656)
Net distribution for the year	**11,467**	**16,965**

The net distribution for the year is represented by:

	28.02.19 £'000	28.02.18 £'000
Net revenue after taxation	11,114	16,592
Shortfall of income transferred from capital	–	3
Expenses charged to capital:		
ACD fee	299	323
General administration charge (GAC)	25	27
Safe custody fee	29	20
Net distribution for the year	**11,467**	**16,965**

11. Debtors

	28.02.19 £'000	28.02.18 £'000
Accrued bond interest	2,483	2,813
Accrued dividends and bank interest	14	1
Amounts receivable for creation of shares	514	804
Sales awaiting settlement	43	3,162
Accrued total return swaps	45	75
	3,099	**6,855**

12. Cash and bank balances

	28.02.19 £'000	28.02.18 £'000
Cash and bank balances	13,869	5,571
Amount held at futures clearing houses and brokers	4,521	4,002
	18,390	**9,573**

13. Other creditors

	28.02.19 £'000	28.02.18 £'000
Amounts payable for cancellation of shares	12	72
Purchases awaiting settlement	868	74
Capital gain tax payable	35	114
Accrued ACD fees	128	153
Accrued general administration charge (GAC)	10	13
Accrued safe custody fee	106	13
Accrued transaction charges	4	1
	1,163	**440**

14. Capital commitments and contingent liabilities
The Fund had no contingent liabilities or capital commitments at the year end date (28.02.18: Nil).

15. Related party transactions
Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 11 and 13.

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (28.02.18: 9.71%).

16. Dilution adjustment
Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

17. ACD Fee and charges
The different level of ACD fees payable per annum as at 28 February 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'R' Shares	1.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	28.02.18 Opening shares in issue	Creations	Cancellations	Shares converted	28.02.19 Closing shares in issue
'A' Class (Accumulation shares)	14,613,942	2,034,981	(4,651,412)	(70,577)	11,926,934
'A' Class (USD Accumulation shares)	344,344	30,000	(180,131)	–	194,213
'A' Class (Income-2 shares)	4,224,220	118,559	(410,837)	(33,215)	3,898,727
'I' Class (Accumulation shares)	57,872,754	20,147,638	(29,172,508)	121,218	48,969,102
'I' Class (USD Accumulation shares)	46,307,549	5,511,945	(16,146,158)	–	35,673,336
'I' Class (Income-2 shares)	38,701,143	23,920,633	(12,837,760)	39,495	49,823,511
'R' Class (Accumulation shares)	68,031	122,829	(41,012)	–	149,848
'R' Class (Income-2 shares)	7,628	879	–	–	8,507

Emerging Markets Local Currency Debt Fund Notes to the Financial Statements continued

For the year ended 28 February 2019

18. Risk consideration
Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2019 was:

Currency	Currency exposure Total 28.02.19 £'000	Total 28.02.18 £'000
Argentine Peso	935	4,423
Brazilian Real	22,163	29,939
Chilean Peso	6,330	11,145
Chinese Yuan	–	(2,948)
Chinese Yuan (Offshore)	2,591	6,905
Colombian Peso	17,283	15,828
Czech Koruna	7,524	19,335
Egyptian Pound	8,092	9,428
Euro	(5,868)	(7,624)
Ghanaian Cedi	1,571	1,362
Hungarian Forint	13,281	5,621
Indian Rupee	(4,490)	(10,424)
Indonesian Rupiah	21,789	25,002
Israeli Shekel	(2,093)	5,315
Kazakhstan Tenge	4,872	6,431
Malaysian Ringgit	11,397	22,883
Mexican Peso	16,045	18,945
Moroccan Dirham	–	788
Nigerian Naira	27	5,175
Peruvian Nuevo Sol	10,178	819
Philippine Peso	(8,146)	(4,407)
Polish Zloty	17,261	31,150
Romanian Leu	5,333	(1,405)
Russian Ruble	11,001	20,744
Serbian Dinar	1,919	1,085
Singapore Dollar	(56)	(5,226)
South African Rand	14,165	20,531
South Korean Won	4,237	5,259
Sterling	11,543	(274)
Taiwan Dollar	(10,793)	(12,920)
Thai Baht	19,888	24,081
Turkish Lira	8,516	14,559
Uganda Shilling	5	(2,359)
Ukrainian Hryvnia	–	4,984
Uruguayan Peso	71	2,937
US Dollar	(15,222)	(33,963)
Total	**191,349**	**233,124**

18. Risk consideration (continued)
Interest rate risk profile of financial assets and liabilities as at 28 February 2019 was as follows:

Currency	Floating rate financial assets 28.02.19 £'000	Fixed rate financial assets 28.02.19 £'000	Financial assets not carrying interest 28.02.19 £'000	Total 28.02.19 £'000
Argentine Peso	–	–	935	935
Brazilian Real	95	17,463	4,605	22,163
Chilean Peso	–	4,140	2,190	6,330
Chinese Yuan (Offshore)	7	–	2,584	2,591
Colombian Peso	3	13,366	3,914	17,283
Czech Koruna	2	4,381	3,141	7,524
Egyptian Pound	59	7,971	62	8,092
Euro	(2,931)	–	(2,937)	(5,868)
Ghanaian Cedi	–	–	1,571	1,571
Hungarian Forint	–	8,993	4,288	13,281
Indian Rupee	–	–	(4,490)	(4,490)
Indonesian Rupiah	–	9,156	12,633	21,789
Israeli Shekel	–	–	(2,093)	(2,093)
Kazakhstan Tenge	–	–	4,872	4,872
Malaysian Ringgit	–	11,307	90	11,397
Mexican Peso	–	13,481	2,564	16,045
Nigerian Naira	–	3,821	(3,794)	27
Peruvian Nuevo Sol	1	–	10,177	10,178
Philippine Peso	–	–	(8,146)	(8,146)
Polish Zloty	2	15,045	2,214	17,261
Romanian Leu	–	–	5,333	5,333
Russian Ruble	–	16,539	(5,538)	11,001
Serbian Dinar	39	1,879	1	1,919
Singapore Dollar	15	–	(71)	(56)
South African Rand	1,425	1,567	11,173	14,165
South Korean Won	–	–	4,237	4,237
Sterling	10,832	–	711	11,543
Taiwan Dollar	–	–	(10,793)	(10,793)
Thai Baht	–	10,533	9,355	19,888
Turkish Lira	46	6,500	1,970	8,516
Uganda Shilling	5	–	–	5
Uruguayan Peso	–	–	71	71
US Dollar	4,660	1,857	(21,739)	(15,222)
Total	**14,260**	**147,999**	**29,090**	**191,349**

Emerging Markets Local Currency Debt Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

18. Risk consideration (continued)
Interest rate risk profile of financial assets and liabilities as at 28 February 2018 was as follows:

Currency	Floating rate financial assets 28.02.18 £'000	Fixed rate financial assets 28.02.18 £'000	Financial assets not carrying interest 28.02.18 £'000	Total 28.02.18 £'000
Argentine Peso	549	2,382	1,492	4,423
Brazilian Real	7	24,866	5,066	29,939
Chilean Peso	–	4,302	6,843	11,145
Chinese Yuan	–	–	(2,948)	(2,948)
Chinese Yuan (Offshore)	–	–	6,905	6,905
Colombian Peso	1	13,697	2,130	15,828
Czech Koruna	3	1,363	17,969	19,335
Egyptian Pound	41	9,388	(1)	9,428
Euro	(2,891)	–	(4,733)	(7,624)
Ghanaian Cedi	–	2,766	(1,404)	1,362
Hungarian Forint	–	4,023	1,598	5,621
Indian Rupee	–	–	(10,424)	(10,424)
Indonesian Rupiah	–	11,397	13,605	25,002
Israeli Shekel	12	–	5,303	5,315
Kazakhstan Tenge	–	908	5,523	6,431
Malaysian Ringgit	–	18,371	4,512	22,883
Mexican Peso	–	16,279	2,666	18,945
Moroccan Dirham	–	–	788	788
Nigerian Naira	–	5,175	–	5,175
Peruvian Nuevo Sol	2	9,444	(8,627)	819
Philippine Peso	–	–	(4,407)	(4,407)
Polish Zloty	3	12,072	19,075	31,150
Romanian Leu	2	–	(1,407)	(1,405)
Russian Ruble	–	18,770	1,974	20,744
Serbian Dinar	–	1,088	(3)	1,085
Singapore Dollar	–	–	(5,226)	(5,226)
South African Rand	871	12,323	7,337	20,531
South Korean Won	1	–	5,258	5,259
Sterling	496	–	(770)	(274)
Taiwan Dollar	–	–	(12,920)	(12,920)
Thai Baht	–	10,066	14,015	24,081
Turkish Lira	3	15,495	(939)	14,559
Uganda Shilling	5	–	(2,364)	(2,359)
Ukrainian Hryvnia	–	–	4,984	4,984
Uruguayan Peso	–	2,951	(14)	2,937
US Dollar	8,087	–	(42,050)	(33,963)
Total	**7,192**	**197,126**	**28,806**	**233,124**

19. Efficient portfolio management techniques risk exposure
The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 28 February 2019 was as follows:

(a) Swaps

Counterparty	Value of collateral 28.02.19 £'000	Value of collateral 28.02.18 £'000
Goldman Sachs	887	490
JPMorgan	135	–
Merrill Lynch	75	–
Standard Chartered Bank	98	–
Total	**1,195**	**490**

(b) Forwards

Counterparty	Market Value 28.02.19 £'000	Market Value 28.02.18 £'000
Barclays	33	–
Citibank	513	1,609
Goldman Sachs	(295)	(1,219)
HSBC	251	505
JPMorgan	(141)	633
Merrill Lynch	(25)	–
Standard Chartered Bank	(75)	1,975
Total	**261**	**3,503**

(c) Futures

Counterparty	Market Value 28.02.19 £'000	Value of exposure 28.02.19 £'000
Goldman Sachs	36	8,985
Rand Merchant Bank	170	16,978
Total	**206**	**25,963**

Futures

Counterparty	Market Value 28.02.18 £'000	Value of exposure 28.02.18 £'000
Goldman Sachs	540	50,966
Total	**540**	**50,966**

20. Fair value

	28.02.19		28.02.18	
Valuation technique	**Assets £'000**	**Liabilities £'000**	**Assets £'000**	**Liabilities £'000**
Level 1	18,719	(6)	44,338	(11)
Level 2	159,645	(3,791)	184,564	(8,141)
Level 3	–	–	–	–
Total fair value	**178,364**	**(3,797)**	**228,902**	**(8,152)**

The three levels of the fair value hierarchy under FRS 102 are as follows:
Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Emerging Markets Local Currency Debt Fund

Distribution Tables

For the year ended 28 February 2019

Interim distribution paid 31 July 2018
Group 1 – Shares purchased before 1 March 2018
Group 2 – Shares purchased between 1 March and 31 May 2018

	Net Income pence	Equalisation pence	Distribution paid 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	2.4959	–	2.4959	2.3466
Group 2	1.4109	1.0850	2.4959	2.3466
'A' Class (Income-2 shares)				
Group 1	1.7085	–	1.7085	1.7471
Group 2	0.5477	1.1608	1.7085	1.7471
'I' Class (Accumulation shares)				
Group 1	1.6510	–	1.6510	1.5495
Group 2	0.9032	0.7478	1.6510	1.5495
'I' Class (Income-2 shares)				
Group 1	1.4342	–	1.4342	1.4559
Group 2	0.6384	0.7958	1.4342	1.4559
'R' Class (Accumulation shares)				
Group 1	1.4707	–	1.4707	1.3785
Group 2	1.4707	–	1.4707	1.3785
'R' Class (Income-2 shares)				
Group 1	1.3185	–	1.3185	1.3440
Group 2	0.5138	0.8047	1.3185	1.3440
'S' Class (Accumulation shares)[1]				
Group 1	–	–	–	3.4482
Group 2	–	–	–	3.4482

	Net Income US cent	Equalisation US cent	Distribution paid 31.07.18 US cent	Distribution paid 31.07.17 US cent
'A' Class (USD Accumulation shares)				
Group 1	3.7251	–	3.7251	3.3607
Group 2	3.7251	–	3.7251	3.3607
'I' Class (USD Accumulation shares)				
Group 1	4.5460	–	4.5460	4.1036
Group 2	3.3513	1.1947	4.5460	4.1036

Distribution Tables

For the year ended 28 February 2019

Interim distribution paid 31 October 2018
Group 1 – Shares purchased before 1 June 2018
Group 2 – Shares purchased between 1 June and 31 August 2018

	Net Income pence	Equalisation pence	Distribution paid 31.10.18 pence	Distribution paid 31.10.17 pence
'A' Class (Accumulation shares)				
Group 1	2.0715	–	2.0715	2.7687
Group 2	0.7774	1.2941	2.0715	2.7687
'A' Class (Income-2 shares)				
Group 1	1.4456	–	1.4456	1.9487
Group 2	0.3664	1.0792	1.4456	1.9487
'I' Class (Accumulation shares)				
Group 1	1.4017	–	1.4017	1.7987
Group 2	0.4333	0.9684	1.4017	1.7987
'I' Class (Income-2 shares)				
Group 1	1.2152	–	1.2152	1.6265
Group 2	0.5617	0.6535	1.2152	1.6265
'R' Class (Accumulation shares)				
Group 1	1.2397	–	1.2397	1.6109
Group 2	1.2397	–	1.2397	1.6109
'R' Class (Income-2 shares)				
Group 1	1.1098	–	1.1098	1.4919
Group 2	0.2823	0.8275	1.1098	1.4919
'S' Class (Accumulation shares)(1)				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Income US cent	Equalisation US cent	Distribution paid 31.10.18 US cent	Distribution paid 31.10.17 US cent
'A' Class (USD Accumulation shares)				
Group 1	3.0176	–	3.0176	3.9886
Group 2	2.7777	0.2399	3.0176	3.9886
'I' Class (USD Accumulation shares)				
Group 1	3.7629	–	3.7629	4.7879
Group 2	0.3654	3.3975	3.7629	4.7879

Emerging Markets Local Currency Debt Fund continued

Distribution Tables

For the year ended 28 February 2019

Interim distribution paid 31 January 2019
Group 1 – Shares purchased before 1 September 2018
Group 2 – Shares purchased between 1 September and 30 November 2018

	Net Income pence	Equalisation pence	Distribution paid 31.01.19 pence	Distribution paid 31.01.18 pence
‘A’ Class (Accumulation shares)				
Group 1	1.6534	–	1.6534	2.3654
Group 2	0.7614	0.8920	1.6534	2.3654
‘A’ Class (Income-2 shares)				
Group 1	1.1963	–	1.1963	1.6940
Group 2	0.3668	0.8295	1.1963	1.6940
‘I’ Class (Accumulation shares)				
Group 1	1.1513	–	1.1513	1.5694
Group 2	0.6419	0.5094	1.1513	1.5694
‘I’ Class (Income-2 shares)				
Group 1	1.0039	–	1.0039	1.4166
Group 2	0.6295	0.3744	1.0039	1.4166
‘R’ Class (Accumulation shares)				
Group 1	1.0064	–	1.0064	1.3944
Group 2	1.0064	–	1.0064	1.3944
‘R’ Class (Income-2 shares)				
Group 1	0.9212	–	0.9212	1.3003
Group 2	0.3123	0.6089	0.9212	1.3003
‘S’ Class (Accumulation shares)[1]				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Income US cent	Equalisation US cent	Distribution paid 31.01.19 US cent	Distribution paid 31.01.18 US cent
‘A’ Class (USD Accumulation shares)				
Group 1	2.3527	–	2.3527	3.5612
Group 2	2.3527	–	2.3527	3.5612
‘I’ Class (USD Accumulation shares)				
Group 1	3.0335	–	3.0335	4.3569
Group 2	1.0522	1.9813	3.0335	4.3569

Distribution Tables

For the year ended 28 February 2019

Final distribution payable 30 April 2019
Group 1 – Shares purchased before 1 December 2018
Group 2 – Shares purchased between 1 December and 28 February 2019

	Net Income pence	Equalisation pence	Distribution payable 30.04.19 pence	Distribution paid 30.04.18 pence
'A' Class (Accumulation shares)				
Group 1	1.9169	–	1.9169	2.7770
Group 2	0.8758	1.0411	1.9169	2.7770
'A' Class (Income-2 shares)				
Group 1	1.3256	–	1.3256	1.8749
Group 2	0.2497	1.0759	1.3256	1.8749
'I' Class (Accumulation shares)				
Group 1	1.3150	–	1.3150	1.8073
Group 2	0.6616	0.6534	1.3150	1.8073
'I' Class (Income-2 shares)				
Group 1	1.1190	–	1.1190	1.5698
Group 2	0.5178	0.6012	1.1190	1.5698
'R' Class (Accumulation shares)				
Group 1	1.1638	–	1.1638	1.6188
Group 2	0.9355	0.2283	1.1638	1.6188
'R' Class (Income-2 shares)				
Group 1	1.0214	–	1.0214	1.4456
Group 2	0.3566	0.6648	1.0214	1.4456
'S' Class (Accumulation shares)[1]				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Income US cent	Equalisation US cent	Distribution payable 30.04.19 US cent	Distribution paid 30.04.18 US cent
'A' Class (USD Accumulation shares)				
Group 1	2.8595	–	2.8595	4.3052
Group 2	2.8595	–	2.8595	4.3052
'I' Class (USD Accumulation shares)				
Group 1	3.6304	–	3.6304	5.1684
Group 2	1.6836	1.9468	3.6304	5.1684

(1) Closed 31 August 2017.

Equalisation
Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Global Dynamic Fund

Statement of Total Return

For the year ended 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
Income					
Net capital (losses)/gains	4		(9,641)		43,996
Revenue	6	9,491		11,497	
Expenses	7	(2,298)		(2,519)	
Interest payable and similar charges		(6)		(9)	
Net revenue before taxation		7,187		8,969	
Taxation	8	(745)		(1,002)	
Net revenue after taxation			6,442		7,967
Total return before distribution			**(3,199)**		**51,963**
Distribution	9		(6,442)		(7,967)
Change in net assets attributable to shareholders from investment activities			**(9,641)**		**43,996**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
Opening net assets attributable to shareholders		**486,434**		**574,249**
In-specie transfer of assets	(80,484)			–
Amounts receivable on creation of shares	19,869		118,455	
Amounts payable on cancellation of shares	(169,552)		(257,095)	
		(230,167)		(138,640)
Change in net assets attributable to shareholders from investment activities		(9,641)		43,996
Retained distributions on accumulation shares		2,615		6,829
Closing net assets attributable to shareholders		**249,241**		**486,434**

Notes to the financial statements are on pages 77 to 81.

Balance Sheet

As at 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
ASSETS					
Investments assets			235,451		478,309
Current assets					
Debtors	10	2,388		506	
Cash and bank balances	11	11,812		8,267	
Total other assets			14,200		8,773
Total assets			**249,651**		**487,082**
LIABILITIES					
Creditors					
Other creditors	12	410		648	
Total liabilities			**410**		**648**
Net assets attributable to shareholders			**249,241**		**486,434**

Notes to the financial statements are on pages 77 to 81.

Global Dynamic Fund
Notes to the Financial Statements

For the year ended 28 February 2019

1. Accounting policies
The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 51.

2. Distribution policies
The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 51 to 52.

3. Risk management policies
The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 52 to 62.

4. Net capital (losses)/gains
The net capital (losses)/gains during the year comprise:

	28.02.19 £'000	28.02.18 £'000
(Losses)/gains on foreign exchange	(4,542)	2,978
Forward currency contracts	(18)	–
Non-derivative securities	(5,067)	41,047
Transaction charges	(14)	(29)
Net capital (losses)/gains	**(9,641)**	**43,996**

5. Purchases, sales and transaction costs
Analysis of total trade costs

	Purchases		Sales	
	28.02.19 £'000	28.02.18 £'000	28.02.19 £'000	28.02.18 £'000
Equities	230,611	345,707	467,735	463,614
Trades excluding transaction costs	**230,611**	**345,707**	**467,735**	**463,614**
Commissions				
Equities	93	162	(156)	(216)
Taxes				
Equities	23	222	(66)	(70)
Total costs	**116**	**384**	**(222)**	**(286)**
Net trades in the year after transaction costs	**230,727**	**346,091**	**467,513**	**463,328**

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.19 %	28.02.18 %	28.02.19 %	28.02.18 %
Commissions				
Equities	0.04	0.05	0.03	0.05
Taxes				
Equities	0.01	0.06	0.01	0.02

Total transaction cost expressed as a percentage of average net asset value

	28.02.19 %	28.02.18 %
Commissions	0.06	0.07
Taxes	0.02	0.06
Total costs	**0.08**	**0.13**

Average portfolio dealing spread
The average portfolio dealing spread at the balance sheet date was 0.05% (28.02.18: 0.06%).

6. Revenue

	28.02.19 £'000	28.02.18 £'000
Bank interest	44	27
Overseas dividends	7,855	9,482
UK dividends	1,592	1,987
Interest on foreign tax reclaims amounts	–	1
Total revenue	**9,491**	**11,497**

Global Dynamic Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

7. Expenses

	28.02.19 £'000	28.02.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	1,870	2,011
General administration charge (GAC)	308	399
	2,178	2,410
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	86	93
	86	93
Other expenses:		
VAT refund	(12)	(15)
Out of pocket expenses	–	3
ADR fees	4	10
SEBI fees	2	–
Currency hedge	40	18
	34	16
Total expenses	**2,298**	**2,519**

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (28.02.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation

(a) Analysis of the tax charge in the year:

	28.02.19 £'000	28.02.18 £'000
Overseas tax	745	1,002
Current tax charge	**745**	**1,002**
Deferred tax charge (note(8(c))	–	–
Total tax charge (note 8(b))	**745**	**1,002**

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.18: 20%). The differences are explained below:

	28.02.19 £'000	28.02.18 £'000
Net revenue before taxation	7,187	8,969
Corporation tax of 20%	1,437	1,794
Effects of:		
Movement in excess management expenses	394	370
Overseas tax	745	1,002
Revenue not subject to taxation	(1,825)	(2,149)
Overseas tax expensed	(6)	(15)
Total tax charge (note 8(a))	**745**	**1,002**

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

The Fund has surplus management expenses that have resulted in an unrecognised deferred asset of £2,024,000 (2018: £1,630,000). This asset has not been recognised in the financial statements due to the inherent uncertainty of the Fund to generate sufficient taxable net revenue.

9. Distribution

The Distribution take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	28.02.19 £'000	28.02.18 £'000
Final	2,615	6,829
	2,615	6,829
Add: Equalisation deducted on cancellation of shares	3,979	1,940
Less: Equalisation received on creation of shares	(152)	(802)
Net distribution for the year	**6,442**	**7,967**

The net distribution for the year is represented by:

	28.02.19 £'000	28.02.18 £'000
Net revenue after taxation	6,442	7,967
Net distribution for the year	**6,442**	**7,967**

10. Debtors

	28.02.19 £'000	28.02.18 £'000
Accrued dividends and bank interest	366	611
Amounts receivable for creation of shares	–	27
Overseas tax recoverable	141	335
Sales awaiting settlement	–	455
Unrealised currency hedge	1,881	(922)
	2,388	**506**

11. Cash and bank balances

	28.02.19 £'000	28.02.18 £'000
Cash and bank balances	11,812	8,267
	11,812	**8,267**

12. Other creditors

	28.02.19 £'000	28.02.18 £'000
Amounts payable for cancellation of shares	176	–
Purchases awaiting settlement	–	455
Payable for hedge fee expense	17	12
Accrued ACD fees	141	144
Accrued general administration charge (GAC)	15	26
Accrued safe custody fee	54	8
Accrued transaction charges	7	3
	410	**648**

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date 0.49% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (28.02.18: nil%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

Global Dynamic Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 28 February 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	28.02.18 Opening shares in issue	Creations	Cancellations	Shares converted	28.02.19 Closing shares in issue
'A' Class (Accumulation shares)	702,209	511,043	(411,729)	(15,033)	786,490
'A' Class (USD Accumulation shares)	681,173	11,566	(27,853)	–	664,886
'I' Class (Accumulation shares)	52,253,946	850,821	(7,096,275)	8,886	46,017,378
'I' Class (EUR Accumulation shares)	2,741,961	51,470	(2,793,431)	–	–
'I' Class (GBP Hedged Accumulation shares)	93,467,759	13,834,057	(474,274)	–	106,827,542
'S' Class (Accumulation shares)	83,610,651	620,454	(83,227,669)	–	1,003,436

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2019 was:

	Currency exposure	
Currency	Total 28.02.19 £'000	Total 28.02.18 £'000
Australian Dollar	9,644	1
Canadian Dollar	3	3
Chinese yuan	6,772	–
Danish Krone	9	9
Euro	23,838	73,113
Hong Kong Dollar	10,884	61,618
Indian Rupee	5	5
Japanese Yen	16,741	47,012
Mexican Peso	4,724	9,080
Norwegian Krone	61	63
South African Rand	–	1
South Korean Won	–	9,525
Sterling	22,362	(69,969)
Swiss Franc	2,531	143
US Dollar	151,667	355,830
Total	**249,241**	**486,434**

The currency exposure included in the above table that was exclusive to the currency hedge share classes at 28 February 2019 was:

	Currency exposure	
Currency	Total 28.02.19 £'000	Total 28.02.18 £'000
Euro	(16,231)	(16,467)
Hong Kong Dollar	(10,766)	(16,520)
Japanese Yen	(8,295)	(8,965)
Sterling	110,420	105,588
Swiss Franc	(1,226)	–
US Dollar	(73,902)	(63,636)
Total	**–**	**–**

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

18. Fair value

Valuation technique	28.02.19 Assets £'000	28.02.19 Liabilities £'000	28.02.18 Assets £'000	28.02.18 Liabilities £'000
Level 1	235,451	–	478,309	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	**235,451**	**–**	**478,309**	**–**

The three levels of the fair value hierarchy under FRS 102 are as follows:
Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Global Dynamic Fund

Distribution Table

For the year ended 28 February 2019

Final distribution payable 30 April 2019
Group 1 – Shares purchased before 1 March 2018
Group 2 – Shares purchased between 1 March 2018 and 28 February 2019

	Net Income pence	Equalisation pence	Distribution payable 30.04.19 pence	Distribution paid 30.04.18 pence
'A' Class (Accumulation shares)				
Group 1	0.4767	–	0.4767	0.5498
Group 2	0.0575	0.4192	0.4767	0.5498
'I' Class (Accumulation shares)				
Group 1	2.7640	–	2.7640	2.7847
Group 2	1.0095	1.7545	2.7640	2.7847
'I' Class (GBP Hedged Accumulation shares)				
Group 1	1.2028	–	1.2028	1.1976
Group 2	1.0247	0.1781	1.2028	1.1976
'S' Class (Accumulation shares)				
Group 1	5.1372	–	5.1372	5.0453
Group 2	3.1118	2.0254	5.1372	5.0453

	Net Income US cent	Equalisation US cent	Distribution payable 30.04.19 US cent	Distribution paid 30.04.18 US cent
'A' Class (USD Accumulation shares)				
Group 1	0.6359	–	0.6359	0.7372
Group 2	–	0.6359	0.6359	0.7372

	Net Income Euro cent	Equalisation Euro cent	Distribution payable 30.04.19 Euro cent	Distribution paid 30.04.18 Euro cent
'I' Class (EUR Accumulation shares)[(1)]				
Group 1	–	–	–	1.1799
Group 2	–	–	–	1.1799

(1) Closed 5 October 2018.

Equalisation
Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Global Equity Fund

Statement of Total Return

For the year ended 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
Income					
Net capital (losses)/gains	4		(1,199)		18,783
Revenue	6	4,604		6,634	
Expenses	7	(1,505)		(1,809)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		3,096		4,824	
Taxation	8	(418)		(601)	
Net revenue after taxation			2,678		4,223
Total return before distribution			**1,479**		**23,006**
Distribution	9		(2,678)		(4,223)
Change in net assets attributable to shareholders from investment activities			**(1,199)**		**18,783**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
Opening net assets attributable to shareholders		**206,962**		**302,499**
Amounts receivable on creation of shares	6,509		5,674	
Amounts payable on cancellation of shares	(47,928)		(122,422)	
		(41,419)		(116,748)
Dilution adjustment		–		43
Change in net assets attributable to shareholders from investment activities		(1,199)		18,783
Retained distributions on accumulation shares		2,359		2,385
Closing net assets attributable to shareholders		**166,703**		**206,962**

Notes to the financial statements are on pages 84 to 88.

Balance Sheet

As at 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
ASSETS					
Investments assets			162,953		205,200
Current assets					
Debtors	10	5,121		2,200	
Cash and bank balances	11	3,023		403	
Total other assets			8,144		2,603
Total assets			**171,097**		**207,803**
LIABILITIES					
Creditors					
Other creditors	12	4,394		841	
Total liabilities			**4,394**		**841**
Net assets attributable to shareholders			**166,703**		**206,962**

Notes to the financial statements are on pages 84 to 88.

Global Equity Fund
Notes to the Financial Statements

For the year ended 28 February 2019

1. Accounting policies
The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 51.

2. Distribution policies
The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 51-52.

3. Risk management policies
The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 52 to 62.

4. Net capital (losses)/gains
The net capital (losses)/gains during the year comprise:

	28.02.19 £'000	28.02.18 £'000
Gains/(losses) on foreign exchange	5	(528)
Forward currency contracts	(4)	–
Non-derivative securities	(1,153)	19,372
Transaction charges	(47)	(61)
Net capital (losses)/gains	**(1,199)**	**18,783**

5. Purchases, sales and transaction costs
Analysis of total trade costs

	Purchases		Sales	
	28.02.19	**28.02.18**	**28.02.19**	**28.02.18**
Equities	74,693	137,601	114,959	252,078
Trades excluding transaction costs	**74,693**	**137,601**	**114,959**	**252,078**
Commissions				
Equities	29	73	(44)	(116)
Taxes				
Equities	31	96	(17)	(57)
Total costs	**60**	**169**	**(61)**	**(173)**
Net trades in the year after transaction costs	**74,753**	**137,770**	**114,898**	**251,905**

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.12.19 %	**31.12.18 %**	**31.12.19 %**	**31.12.18 %**
Commissions				
Equities	0.04	0.05	0.04	0.05
Taxes				
Equities	0.04	0.07	0.01	0.02

Total transaction cost expressed as a percentage of average net asset value

	28.02.19 %	28.02.18 %
Commissions	0.04	0.06
Taxes	0.03	0.05
Total costs	**0.07**	**0.11**

Average portfolio dealing spread
The average portfolio dealing spread at the balance sheet date was 0.04% (28.02.18: 0.06%).

6. Revenue

	28.02.19 £'000	28.02.18 £'000
Bank interest	4	2
Overseas dividends	4,045	5,912
UK dividends	555	715*
Interest on foreign tax reclaims amounts	–	5
Total revenue	**4,604**	**6,634**

* Prior year balances have been reanalysed to present the balances consistently across the years.

7. Expenses

	28.02.19 £'000	28.02.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	1,343	1,536
General administration charge (GAC)	126	224
	1,469	1,760
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	39	57
	39	57
Other expenses:		
VAT refund	(8)	(9)
Out of pocket expenses	–	1
ADR fees	2	–
SEBI fees	2	–
DTC Expenses	1	–
	(3)	(8)
Total expenses	**1,505**	**1,809**

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (28.02.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation

(a) Analysis of the tax charge in the year:

	28.02.19 £'000	28.02.18 £'000
Interest on capital	4	–
Overseas tax	414	601
Current tax charge	**418**	**601**
Deferred tax charge (note(8(c))	–	–
Total tax charge (note 8(b))	**418**	**601**

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.18: 20%). The differences are explained below:

	28.02.19 £'000	28.02.18 £'000
Net revenue before taxation	3,096	4,824
Corporation tax of 20%	619	965
Effects of:		
Movement in excess management expenses	273	306
Overseas tax	418	601
Revenue not subject to taxation	(887)	(9)
Overseas tax expensed	(5)	(1,262)
Total tax charge (note 8(a))	**418**	**601**

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

The Fund has surplus management expenses that have resulted in an unrecognised deferred asset of £2,279,000 (28.02.18: £2,006,000). This asset has not been recognised in the financial statements due to the inherent uncertainty of the Fund to generate sufficient taxable net revenue.

Global Equity Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

REPORT AND ACCOUNTS

9. Distribution

The Distribution take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	28.02.19 £'000	28.02.18 £'000
Final	2,359	2,385
	2,359	2,385
Add: Equalisation deducted on cancellation of shares	370	1,898
Less: Equalisation received on creation of shares	(51)	(60)
Net distribution for the year	**2,678**	**4,223**

The net distribution for the year is represented by:

	28.02.19 £'000	28.02.18 £'000
Net revenue after taxation	2,678	4,223
Net distribution for the year	**2,678**	**4,223**

10. Debtors

	28.02.19 £'000	28.02.18 £'000
Accrued dividends and bank interest	330	336
Amounts receivable for creation of shares	–	1,676
Overseas tax recoverable	124	188
Sales awaiting settlement	4,667	–
	5,121	**2,200**

11. Cash and bank balances

	28.02.19 £'000	28.02.18 £'000
Cash and bank balances	3,023	403
	3,023	**403**

12. Other creditors

	28.02.19 £'000	28.02.18 £'000
Amounts payable for cancellation of shares	4,154	165
Purchases awaiting settlement	–	452
HMRC Focus bank reclaims payable	87	87
Accrued ACD fees	98	114
Accrued general administration charge (GAC)	9	14
Accrued safe custody fee	24	5
Accrued transaction charges	22	4
	4,394	**841**

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

16. ACD Fee and charges
The different level of ACD fees payable per annum as at 28 February 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'R' Shares	1.00%
'S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	28.02.18 Opening shares in issue	Creations	Cancellations	Shares converted	28.02.19 Closing shares in issue
'A' Class (Accumulation shares)	2,993,856	93,839	(1,082,968)	(29,175)	1,975,552
'A' Class (USD Accumulation shares)	2,995,449	490,461	(1,167,048)	–	2,318,862
'I' Class (Accumulation shares)	8,246,940	28,539	(1,503,028)	2,044	6,774,495
'I' Class (USD Accumulation shares)	349,425	5,438	(239,293)	–	115,570
'R' Class (Accumulation shares)	58,150	164	–	–	58,314
'S' Class (Accumulation shares)	7,962,761	2,828,310	(6,154,680)	–	4,636,391

17. Risk consideration
Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2019 was:

	Currency exposure	
Currency	**Total 28.02.19 £'000**	**Total 28.02.18 £'000**
Australian Dollar	2,085	2,727
Brazilian Real	314	772
Canadian Dollar	740	2,746
Chinese Yuan	1,918	3,006
Danish Krone	2,028	4,173
Euro	8,934	21,062
Hong Kong Dollar	9,854	15,141
Indian Rupee	2,083	1,479
Japanese Yen	7,747	11,927
New Taiwan Dollar	12	–
New Zealand Dollar	4	4
Norwegian Krone	5	998
Singapore Dollar	1,682	2,230
South Korean Won	3,073	2,761
Sterling	9,624	17,749
Swiss Franc	1,122	111
Taiwan Dollar	–	12
Thai Baht	–	2,332
US Dollar	115,478	117,732
Total	**166,703**	**206,962**

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

Global Equity Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

18. Fair value

	28.02.19		28.02.18	
Valuation technique	**Assets £'000**	**Liabilities £'000**	**Assets £'000**	**Liabilities £'000**
Level 1	162,953	–	205,200	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	**162,953**	**–**	**205,200**	**–**

The three levels of the fair value hierarchy under FRS 102 are as follows:
Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Global Equity Fund

Distribution Table

For the year ended 28 February 2019

Final distribution payable 30 April 2019
Group 1 – Shares purchased before 1 March 2018
Group 2 – Shares purchased between 1 March 2018 and 28 February 2019

	Net Income pence	Equalisation pence	Distribution payable 30.04.19 pence	Distribution paid 30.04.18 pence
'A' Class (Accumulation shares)				
Group 1	1.0292	–	1.0292	0.6441
Group 2	0.3624	0.6668	1.0292	0.6441
'I' Class (Accumulation shares)				
Group 1	31.4919	–	31.4919	25.2394
Group 2	16.5391	14.9528	31.4919	25.2394
'R' Class (Accumulation shares)				
Group 1	2.2112	–	2.2112	1.7034
Group 2	0.2568	1.9544	2.2112	1.7034
'S' Class (Accumulation shares)				
Group 1	3.8401	–	3.8401	3.2627
Group 2	2.3921	1.4480	3.8401	3.2627

	Net Income US cent	Equalisation US cent	Distribution payable 30.04.19 US cent	Distribution paid 30.04.18 US cent
'A' Class (USD Accumulation shares)				
Group 1	1.3654	–	1.3654	0.8907
Group 2	0.2772	1.0882	1.3654	0.8907
'I' Class (USD Accumulation shares)				
Group 1	1.9656	–	1.9656	1.6603
Group 2	0.5005	1.4651	1.9656	1.6603

Equalisation
Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Global Gold Fund

Statement of Total Return

For the year ended 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
Income					
Net capital gains/(losses)	4		26,333		(12,267)
Revenue	6	1,564		714	
Expenses	7	(1,410)		(932)	
Interest payable and similar charges		(4)		(1)	
Net revenue/(expense) before taxation		150		(219)	
Taxation	8	(126)		(43)	
Net revenue/(expense) after taxation			24		(262)
Total return before distribution			**26,357**		**(12,529)**
Distribution	9		(156)		–
Change in net assets attributable to shareholders from investment activities			**26,201**		**(12,529)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
Opening net assets attributable to shareholders		**88,858**		**94,225**
Amounts receivable on creation of shares	189,599		41,511	
Amounts payable on cancellation of shares	(30,853)		(34,388)	
		158,746		7,123
Dilution adjustment		302		39
Change in net assets attributable to shareholders from investment activities		26,201		(12,529)
Retained distributions on accumulation shares		183		-
Closing net assets attributable to shareholders		**274,290**		**88,858**

Notes to the financial statements are on pages 91 to 94.

Balance Sheet

As at 28 February 2019

	Note	28.02.19 £'000	28.02.19 £'000	28.02.18 £'000	28.02.18 £'000
ASSETS					
Investments assets			270,298		87,786
Current assets					
Debtors	10	1,717		1,622	
Cash and bank balances	11	10,251		563	
Total other assets			11,968		2,185
Total assets			**282,266**		**89,971**
LIABILITIES					
Creditors					
Other creditors	12	7,976		1,113	
Total liabilities			**7,976**		**1,113**
Net assets attributable to shareholders			**274,290**		**88,858**

Notes to the financial statements are on pages 91 to 94.

Global Gold Fund
Notes to the Financial Statements

For the year ended 28 February 2019

1. Accounting policies
The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 51.

2. Distribution policies
The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 51 to 52.

3. Risk management policies
The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 52 to 62.

4. Net capital gains /(losses)
The net capital gains/(losses) during the year comprise:

	28.02.19 £'000	28.02.18 £'000
(Losses)/gains on foreign exchange	(197)	57
Non-derivative securities	26,549	(12,301)
Transaction charges	(19)	(23)
Net capital gains/(losses)	**26,333**	**(12,267)**

5. Purchases, sales and transaction costs
Analysis of total trade costs

	Purchases		Sales	
	28.02.19 £'000	28.02.18 £'000	28.02.19 £'000	28.02.18 £'000
Equities	308,750	131,900	151,905	130,522
Collective Investment Schemes	4,184	5,351	5,310	42
Trades excluding transaction costs	**312,934**	**137,251**	**157,215**	**130,564**
Commissions				
Equities	160	116	(104)	(95)
Collective Investment Schemes	–	–	–	–
Total commissions	**160**	**116**	**(104)**	**(95)**
Taxes				
Equities	28	59	(1)	(2)
Collective Investment Schemes	–	–	–	–
Total costs	**188**	**175**	**(105)**	**(97)**
Net trades in the year after transaction costs	**313,122**	**137,426**	**157,110**	**130,467**

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	28.02.19 %	28.02.18 %	28.02.19 %	28.02.18 %
Commissions				
Equities	0.05	0.09	0.07	0.07
Collective Investment Schemes	–	–	–	0.05
Taxes				
Equities	0.01	0.05	–	–
Collective Investment Schemes	–	–	–	–

Total transaction cost expressed as a percentage of average net asset value

	28.02.19 %	28.02.18 %
Commissions	0.17	0.23
Taxes	0.02	0.07
Total costs	**0.19**	**0.30**

Average portfolio dealing spread
The average portfolio dealing spread at the balance sheet date was 0.25% (28.02.18: 0.45%).

6. Revenue

	28.02.19 £'000	28.02.18 £'000
Bank interest	4	1
Overseas dividends	1,560	713
Total revenue	**1,564**	**714**

Global Gold Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

7. Expenses

	28.02.19 £'000	28.02.18 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	1,294	855
General administration charge (GAC)	105	69
	1,399	924
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	16	14
	16	14
Other expenses:		
VAT refund	(5)	(6)
	(5)	(6)
Total expenses	**1,410**	**932**

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000 (28.02.18: £8,000).

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation

(a) Analysis of the tax charge in the year:

	28.02.19 £'000	28.02.18 £'000
Overseas tax	126	43
Current tax charge	**126**	**43**
Deferred tax charge (note(8(c))	–	–
Total tax charge (note 8(b))	**126**	**43**

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (28.02.18: 20%). The differences are explained below:

	28.02.19 £'000	28.02.18 £'000
Net revenue/(expense) before taxation	150	(219)
Corporation tax of 20%	30	(44)
Effects of:		
Movement in excess management expenses	282	187
Overseas tax	126	43
Revenue not subject to taxation	(312)	(143)
Total tax charge (note 8(a))	**126**	**43**

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,633,000 (2018: £2,351,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distribution

The Distribution take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprises:

	28.02.19 £'000	28.02.18 £'000
Final	183	–
Add: Equalisation deducted on cancellation of shares	4	10
Less: Equalisation received on creation of shares	(31)	(10)
Net distribution for the year	**156**	**–**

The net distribution for the year is represented by:

	28.02.19 £'000	28.02.18 £'000
Net revenue/(expense) after taxation	24	(262)
Shortfall of income transferred from capital	132	262
Net distribution for the year	**156**	**–**

10. Debtors

	28.02.19 £'000	28.02.18 £'000
Accrued dividends and bank interest	185	67
Amounts receivable for creation of shares	1,532	868
Sales awaiting settlement	–	687
	1,717	**1,622**

11. Cash and bank balances

	28.02.19 £'000	28.02.18 £'000
Cash and bank balances	10,251	563
	10,251	**563**

12. Other creditors

	28.02.19 £'000	28.02.18 £'000
Amounts payable for cancellation of shares	170	290
Purchases awaiting settlement	7,594	751
Accrued ACD fees	176	63
Accrued general administration charge (GAC)	15	5
Accrued safe custody fee	10	1
Accrued transaction charges	11	3
	7,976	**1,113**

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (28.02.18: Nil).

14. Related party transactions

Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

Global Gold Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 28 February 2019 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'R' Shares	1.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the year:

	28.02.18 Opening shares in issue	Creations	Cancellations	Shares converted	28.02.19 Closing shares in issue
'A' Class (Accumulation shares)	16,467,577	9,119,380	(7,337,243)	(55,264)	18,194,450
'A' Class (USD Accumulation shares)	72,888	399,000	(39,763)		432,125
'I' Class (Accumulation shares)	61,076,330	153,996,241	(18,698,565)	56,487	196,430,493
'R' Class (Accumulation shares)	15,349	35,829	(3,239)		47,939

17. Risk consideration

Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2019 was:

	Currency exposure	
Currency	**Total 28.02.19 £'000**	**Total 28.02.18 £'000**
Australian Dollar	53,442	14,384
Canadian Dollar	93,135	24,261
South African Rand	12,474	5,960
Sterling	9,685	9,218
Turkish Lira	1	1
US Dollar	105,553	35,034
Total	**274,290**	**88,858**

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the Fund's exposure to interest risk is not considered to be significant.

18. Fair value

	28.02.19		28.02.18	
Valuation technique	**Assets £'000**	**Liabilities £'000**	**Assets £'000**	**Liabilities £'000**
Level 1	270,298	–	87,786	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	**270,298**	**–**	**87,786**	**–**

The three levels of the fair value hierarchy under FRS 102 are as follows:
Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Global Gold Fund

Distribution Table

For the year ended 28 February 2019

Final distribution payable 30 April 2019
Group 1 – Shares purchased before 1 March 2018
Group 2 – Shares purchased between 1 March 2018 and 28 February 2019

	Net Income pence	Equalisation pence	Distribution payable 30.04.19 pence	Distribution paid 30.04.18 pence
'A' Class (Accumulation shares)#				
Group 1	–	–	–	–
Group 2	–	–	–	–
'I' Class (Accumulation shares)				
Group 1	0.0933	–	0.0933	–
Group 2	0.0725	0.0208	0.0933	–
'R' Class (Accumulation shares)#				
Group 1	–	–	–	–
Group 2	–	–	–	–

	Net Income US cent	Equalisation US cent	Distribution payable 30.04.19 US cent	Distribution paid 30.04.18 US cent
'A' Class (USD Accumulation shares)#				
Group 1	–	–	–	–
Group 2	–	–	–	–

Equalisation
Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.
Share class was in deficit position at the year end.

Investec UK Sustainable Equity Fund

Statement of Total Return

For the period ended 28 February 2019

	Note	28.02.19 £'000	£'000
Income			
Net capital gains	4		49
Revenue	6	4	
Expenses	7	–	
Net revenue before taxation		4	
Taxation	8	–	
Net revenue after taxation			4
Total return before distributions			**53**
Distributions	9		(4)
Change in shareholders' funds			
from investment activities			**49**

Statement of Change in shareholders' funds

For the period ended 28 February 2019

	28.02.19 £'000	£'000
Opening net assets		**–**
Amounts receivable on creation of shares	992	
Amounts payable on cancellation of shares	–	
		992
Change in shareholders' funds from investment activities		49
Retained distributions on accumulation shares		4
Closing net assets		**1,045**

Notes to the financial statements are on pages 97 to 100.

Balance Sheet

As at 28 February 2019

	Note	28.02.19 £'000	£'000
ASSETS			
Investments assets			976
Current assets			
Debtors	10	2	
Cash and bank balances	11	67	
Total other assets			69
Total assets			**1,045**
LIABILITIES			
Creditors			
Other creditors	12	–	
Total liabilities			**–**
Net assets			1,045
shareholders' funds			**1,045**

Notes to the financial statements are on pages 97 to 100.

Fund launched 14 December 2018, therefore no comparatives are available.

Investec UK Sustainable Equity Fund
Notes to the Financial Statements

For the year ended 28 February 2019

1. Accounting policies
The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 51.

2. Distribution policies
The Distribution policies for the Fund are disclosed in the notes to the financial statements on pages 51 to 52.

3. Risk management policies
The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 52 to 62.

4. Net capital gains
The net capital gains during the year comprise:

	28.02.19 £'000
Non-derivative securities	49
Net capital gains	**49**

5. Purchases, sales and transaction costs
Analysis of total trade costs

	Purchases 28.02.19 £'000	Sales 28.02.19 £'000
Equities	963	40
Trades excluding transaction costs	**963**	**40**
Commissions		
Equities	–	–
Taxes		
Equities	4	–
Total costs	**4**	**–**
Net trades in the year after transaction costs	**967**	**40**

Total transaction cost expressed as a percentage of asset type cost

	Purchases 28.02.19 %	Sales 28.02.19 %
Commissions		
Equities	–	–
Taxes		
Equities	0.41	–

Total transaction cost expressed as a percentage of average net asset value

	28.02.19 %
Commissions	–
Taxes	0.41
Total costs	**0.41**

Average portfolio dealing spread
The average portfolio dealing spread at the balance sheet date was 0.52%.

6. Revenue

	28.02.19 £'000
UK dividends	4
Total revenue	**4**

Investec UK Sustainable Equity Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

7. Expenses

	28.02.19 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:	
ACD fee	–
General administration charge (GAC)	–
	–
Payable to the Depositary or associates of the Depositary, and agents of either of them:	
Safe custody fee	–
	–
Total expenses	**–**

Please refer to the Prospectus for a full description of expenses covered by the GAC.

The audit fee for the year is £8,000.

VAT is currently recovered in respect of certain expenses paid under the GAC.

8. Taxation

(a) Analysis of the tax charge in the period:

	28.02.19 £'000
Overseas tax	–
Current tax charge	**–**
Deferred tax charge (note(8(c))	–
Total tax charge (note 8(b))	**–**

(b) Factors affecting current tax charge for the period:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%). The differences are explained below:

	28.02.19 £'000
Net revenue before taxation	4
Corporation tax of 20%	1
Effects of:	
Overseas tax	–
Revenue not subject to taxation	(1)
Total tax charge (note 8(a))	**–**

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current period.

9. Distributions

The Distributions take account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	28.02.19 £'000
Final	4
Net distribution for the period	**4**

The net distribution for the period is represented by:

	28.02.19 £'000
Net revenue after taxation	4
Net distribution for the period	**4**

10. Debtors

	28.02.19 £'000
Accrued revenue	2
	2

11. Cash and bank balances

	28.02.19 £'000
Cash and bank balances	67
	67

12. Other creditors

	28.02.19 £'000
Accrued ACD fees	–
Accrued general administration charge (GAC)	–
Accrued safe custody fee	–
Accrued transaction charges	–
	–

13. Capital commitments and contingent liabilities
The Fund had no contingent liabilities or capital commitments at the year end date.

14. Related party transactions
Investec Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party, and acts as a principal in respect of all transactions of shares in the Company. The aggregate monies received through issues and paid on cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets.

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment
Please refer to note 4 of the notes to the financial statements of the company for a detailed description of dilution adjustment.

16. ACD Fee and charges
The different level of ACD fees payable per annum as at 28 February 2019 for each share class is detailed below:

'I' Shares	0.75%
'K' Shares	0.40%
'R' Shares	1.00%
S' Shares	0.00%

The GAC is charged at up to 0.08% of the Net Asset Value of each share class.

All shares within the sub-fund have the same rights on winding up.

Reconciliation of the shares movement in the period:

	14.12.18 Opening shares in issue	Creations	Cancellations	Shares converted	28.02.19 Closing shares in issue
'I' Class (Accumulation shares)	–	1,000	–	–	1,000
'K' Class (Accumulation shares)	–	1,000	–	–	1,000
'R' Class (Accumulation shares)	–	1,000	–	–	1,000
'S' Class (Accumulation shares)	–	988,774	–	–	988,774

17. Risk consideration
Please refer to note 3 of the financial statements for a detailed description of the risk considerations. There are no further specific risks for this Fund.

The Fund's currency exposure as at 28 February 2019 was:

Currency	Currency exposure Total 28.02.19 £'000
Sterling	1,045
Total	**1,045**

The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the fund's exposure to interest rate risk is not considered to be significant.

Investec UK Sustainable Equity Fund
Notes to the Financial Statements continued

For the year ended 28 February 2019

18. Fair value

	28.02.19	
Valuation technique	**Assets £'000**	**Liabilities £'000**
Level 1	976	–
Level 2	–	–
Level 3	–	–
Total fair value	**976**	**–**

The three levels of the fair value hierarchy under FRS 102 are as follows:
Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Investec UK Sustainable Equity Fund

Distribution Tables

For the period ended 28 February 2019

Final distribution payable 30 April 2019
Group 1 – Shares purchased before 14 December 2018
Group 2 – Shares purchased between 14 December and 28 February 2019

	Net Income pence	Equalisation pence	Distribution payable 30.04.19 pence
'I' Class (Accumulation shares)			
Group 1	0.2450	-	0.2450
Group 2	0.2450	-	0.2450
'K' Class (Accumulation shares)			
Group 1	0.3210	-	0.3210
Group 2	0.3210	-	0.3210
'R' Class (Accumulation shares)			
Group 1	0.1690	-	0.1690
Group 2	0.1690	-	0.1690
'S' Class (Accumulation shares)			
Group 1	0.3915	-	0.3915
Group 2	0.3915	-	0.3915

Fund launched 14 December 2018.

Equalisation
Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Securities Financing Transactions ('SFTs') (Unaudited)

As at 28 February 2019

GLOBAL DATA

Assets engaged in SFTs and total return swaps	Fund assets under management (AUM) £'000
Emerging Markets Local Currency Debt Fund	191,349

Absolute value of assets engaged in total return swaps:	Underlying exposure value £'000	% of net assets
Emerging Markets Local Currency Debt Fund	8,844	4.63%

CONCENTRATION DATA

Counterparty	Counterparty's country of establishment	Underlying exposure value £'000	Settlement and clearing
Emerging Markets Local Currency Debt Fund			
Citibank	UK	3,706	Bi–lateral
Standard Chartered	Singapore	5,138	Bi–lateral

AGGREGATE TRANSACTION DATA

Type, Quality and Currency of Collateral

Type	Quality	Currencies
Total return swaps		
Emergency Markets Local Currency Debt Fund		

There was no collateral granted by the Fund at 28 February 2019 in relation to the Total Return Swaps contracts held.

Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open transactions £'000	Total £'000
Emerging Markets Local Currency Debt Fund								
Total return swaps	–	–	–	–	–	8,844	–	8,884

RETURN AND COST

	Collective Investment Undertaking £'000	Manager of Collective Investment Undertaking £'000	Third Parties (e.g. lending agent) £'000	Total £'000
Emerging Markets Local Currency Debt Fund				
Total return swaps				
Gross return	–	–	–	–
% of total gross return	–	–	–	
Cost	–	–	–	–

Other Information (Unaudited)

ISA status

During the period under review, the shares of the funds met the requirements for eligibility to be held in a stocks and shares ISA as determined by the regulations which govern ISAs.

Investec Fund Managers Limited offer the 'A' shares of the funds through its own ISA plan.

Distributions

Where a distribution is to be paid, it has been calculated as at 28 February 2019 and will be distributed to shareholders, where applicable, on 28 April 2019. For accumulations shares income distribution payments are deemed to be paid on 28 April 2019.

Telephone calls

Telephone calls may be recorded for training and quality assurance purposes.

Cross holding table

There were no cross holdings between sub-funds in Investec Funds Series iii as at 28 February 2019.

UCITS V Directive on remuneration

The latest remuneration policy relating to the Authorised Corporate Director (ACD) is available from www.investecassetmanagement.com/remuneration or free of charge on request from the Registered Office.

Remuneration paid for 2017-18 to all staff employed by the management company, split into fixed and variable remuneration paid.

N/A – IFML does not employ any employees.

Aggregate remuneration paid for 2017-18 to senior management and members of staff whose actions have a material impact on the risk profile of IFML.

Aggregate Remuneration	£163,276
Senior Management	£159,940
Other individuals with material impact	£3,336
No of staff	9

Glossary (Unaudited)

Active management
An active investment approach is one where a portfolio manager aims to beat the market through research, analysis and his/her judgement. (See also passive management).

Asset allocation
A fund's allotment to different asset classes.

Asset class
The main types of investment available. The traditional asset classes are equities, bonds and cash.

Bear market
A market where prices fall consistently over a long period of time. Investors are referred to as 'bearish' if they believe prices are going to fall.

Benchmark
A comparative performance index.

Bond
A form of loan issued by a government or company. Typically, an investor should receive a regular coupon and the return of the principal originally lent when the bond matures. Note: Not all bonds are interest bearing (see zero coupon bond), and not all bonds are fixed rate (e.g. index linked, floating rate and stepped rate bonds).

Bottom-up investing
An investment approach that concentrates on the analysis of individual companies and considers the company's history, management and potential as more important than macroeconomic trends.

Bull market
A market where prices rise consistently over a long period of time. Investors are referred to as 'bullish' if they believe prices are going to rise.

Cash
The most liquid form in which to store capital. While it is regarded as a safe asset class, over time the purchasing power of cash tends to be eroded by inflation.

Central bank base rate
The basic rate of interest set by a central bank that determines the cost of borrowing.

Commodities
An asset class which comprises physical assets such as oil, base and precious metals and agricultural produce.

Credit rating agency
An institution that assigns credit ratings to debt issuers, such as companies and governments. Standard & Poor's and Moody's are well-known examples.

Credit risk
The risk that a bond issuer or borrower will be unable to meet their contractual obligations.

Credit spread
The differences in yield between 'risk-free' bonds, such as gilts or US treasuries, and non-treasury (or gilt) bonds, which are identical in all respects except for the quality of their rating. Corporate bonds tend to offer additional yield to compensate investors for the potential risk of default.

Currency risk
The risk of incurring losses of foreign assets due to adverse movements in exchange rates between domestic and foreign currencies.

Deflation
As opposed to inflation, it describes conditions in which there is a widespread, consistent decline in prices. It conveys the rarer occurrence of the money in one's pocket actually increasing in buying power, rather than the more usual opposite.

Derivatives
An instrument whose value depends on the performance of an underlying security or rate which requires no initial exchange of principal. Options, futures and swaps are all examples of derivatives.

Developed markets
Refers to industrialised countries with relatively high levels of economic productivity, high standards of living and stable economies.

Disinflation
Refers to a slowing down in price growth, as opposed to deflation where prices are already falling.

Diversification
Holding a range of assets to reduce risk.

Dividend
The portion of company net profits paid out to shareholders.

Dividend yield

The annual dividend per share divided by the current share price.

Duration

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating 'duration' for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the higher the duration number the higher the potential return (and the greater the risk).

Emerging markets

Countries in the process of industrialising which tend to have rapidly growing economies.

Emerging market debt

Debt issued by governments and corporates in emerging markets.

Equity

Refers to shares. A share in a company provides an investor with part ownership of that company.

Fixed Income

An investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity.

Future

An obligation to buy or sell an asset on a specific date in the future at an agreed price.

Gilt

A bond that is issued by the British government which is generally considered low risk. Bonds issued by South African and Irish governments are also referred to as gilts.

Hedging

A technique seeking to offset or minimise the exposure to specific risk by entering an opposing position.

High yield bond

A below investment grade rated bond, providing the investor with greater returns due to its higher default risk. (See Junk bond).

Index-linked bonds

Bonds whose coupons and principal payment are linked to movements in inflation.

Inflation

Describes conditions in which there have been a consistent rise in prices.

Initial public offering (IPO)

The first public sale of a company's equity resulting in a quoted stock price on a stock exchange.

Interest

The return earned on funds which have been deposited, loaned, or invested.

Investment grade bonds

Bonds considered of the highest quality by credit rating agencies. The threshold credit rating for Standard & Poor's is BBB and Baa3 for Moody's.

Liabilities

Financial obligations that must be met.

Liquidity

The ease with which an asset can be sold at a reasonable price for cash.

Long dated bond

A bond with usually 15 years or more remaining before redemption, at which point the principal is paid to the holder.

Long-term investment

Holding an asset for an extended period of time. Depending on the security, a long-term asset can be held for as little as one year or for as long as 30 years.

Macroeconomic

Refers to the big trends in an economy as a whole, such as inflation and unemployment, while microeconomic forces refer to the factors affecting individual situations or companies.

Market capitalisation

The total value of a company's equity, calculated by the number of shares multiplied by their market price.

Glossary (Unaudited) continued

Maturity

With regards to bonds, maturity refers to the time at which the principal of the bond is repayable and it ceases to exist. In terms of a pension fund, it conveys the average age of the membership and the time until benefits are payable.

Outperformance

The return of a fund in excess of the comparative performance index.

Overweight

When a fund has greater exposure to an asset than the comparative performance index.

Peer group

A group of funds that can be compared with one another for performance purposes. A peer group will usually be based on the funds' investment scope, for example UK equities.

Performance

The results of an investment over a given period.

Portfolio

A grouping of financial assets, such as equities, bonds and cash equivalents. Portfolios are held directly by investors and/or managed by financial professionals.

Rally

A swift rise.

Real estate

An asset class comprising buildings and land.

Risk premium

The extra return expected by an investor in compensation for holding a risky asset.

Security

A general term for a tradable financial instrument.

Short-term investment

Investments that are held for or mature in 12 months or less.

Standard deviation

A measure of risk, deriving from the historic volatility of a particular asset.

Top-down investing

Contrasting with bottom-up analysis, a top-down approach to investment analysis begins with an assessment of macroeconomic factors, then business cycles before moving on to look at individual sectors and companies.

Treasuries

Debt securities issued by the US government. Treasuries fall under three categories: treasury bills (T-bills), treasury notes (T-notes) and treasury bonds (T-bonds).

Underweight

When a fund has less exposure to an asset than the benchmark.

Volatility

Price movements. Standard deviation is a measure of an asset's historic volatility.

Year-to-date (YTD)

Refers to the period extending from the beginning of the current calendar year to the present date.

Yield

A measure of the income return earned on an investment.
In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share. In the case of a property, it is the rental income as a percentage of the capital value. In the case of a bond the running yield (or flat or current yield) is the annual interest payable as a percentage of the current market price.
The redemption yield (or yield to maturity) allows for any gain or loss of capital which will be realised at the maturity date.

Yield curve

A graphical representation off all the yields of bonds of the same quality with maturities ranging from the shortest to the longest available.

Yield spread

The difference in yield between different bonds.

Yield to maturity

The annualised return (internal rate of return) that would be earned on a bond if held to maturity.

Directory (Unaudited)

Authorised Corporate Director (ACD)

Investec Fund Managers Limited

Contact address	PO Box 9042, Chelmsford CM99 2XL
Telephone	+44 (0)20 7597 1900
Free phone	0800 389 2299
Email	enquiries@investecmail.com
Indicator	online valuation service www.investecassetmanagement.com
Registered address	Woolgate Exchange 25 Basinghall Street London EC2V 5HA

Investment Manager

Investec Asset Management Limited
Woolgate Exchange
25 Basinghall Street
London EC2V 5HA

Registered number for Investec Funds Series iii
IC13 England and Wales

Registrar

DST Financial Services Europe Limited
DST House
St. Nicholas Lane
Basildon
Essex SS15 5FS

Depositary

State Street Trustees Limited
20 Churchill Place
London E14 5HJ

Fund Accounting

State Street Bank and Trust Company Limited
20 Churchill Place
London E14 5HJ

Independent Auditors

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Issued by Investec Fund Managers Limited, April 2019.
Authorised and regulated by the Financial Conduct Authority.